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## **Southeast Asia Report**



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## UNION DAY SPEECHES REPORTED

## Council of State Secretary Opening Speech

Rangoon FORWARD in English Mar 87 pp 8-14

[Text]

The following is a translation of the opening speech delivered by Secretary of the Council of State U Sein Lwin as Chairman of the Union Day Discussions held in the Saya San Hall, Kyaikkasan Grounds, Feb 11.

Esteemed delegates of the national groups and guests:

On behalf of the Council of State and Central Organs of Power, I warmly welcome you the delegates who have come from States and Divisions to attend the 40th Anniversary Union Day Discussions.

We have held the Union Day Discussions and celebrations every year with full political essence since the advent of the Revolutionary Council. To hold Union Day Discussions and celebrations without losing sight of the original aims, the Burma Socialist Programme Party has been laying down political objectives. Based on these political objectives, discussions are to be held and

endeavours made for the benefit of the whole country.

Union Day Discussions and celebrations are being held, in Union Spirit, for the further strengthening of national unity and for further raising the standard of living of the entire indigenous people.

So, I would like to take the opportunity to explain the situation which brought about the birth of the Union Spirit and the background history which we must cherish.

At the time when the Second World War came to an end, the entire nation was politically awakened and under the leadership of Bogyoke Aung San, striving with determination for independence.

In such a situation, the colonialists, even though they would have to give independence, were striving by all means to leave out the hill regions for continued exploitation. In striving to exploit the country, they strove hard to sow misunderstanding

and distrust among the indigenous working people. They tried to leave out the hill regions when they gave Independence to the country. Although there were some feudalists taken in by trickery of some colonialists, there were politically active anti-colonialist, anti-feudalist forces opposed to thoughts, views and ways of the colonialists and feudalists and they showed solid unity of the people of hill regions with all other people of the country at the time Independence was given to Burma.

With this unity, the Panglong Conference was held on 12 February, 1947. Thanks to the wisdom of Bogyoke Aung San and leaders of the indigenous people, they successfully signed the Panglong Agreement.

If we review this event, it will be seen vividly as an example of the victory of politically active forces, constructive, united and progressive forces, over

internal and external destructive elements, divisive elements and their thoughts and ways. As unity could be strongly shown at the Panglong Conference, victory was won in successive struggles for Independence. So, it must be borne in mind that the Union Spirit born of Panglong Conference provided strength and courage to overcome obstacles and secure Independence of the nation.

Then with Independence so gained, and at a time when the nation was about to rebuild the country and construct a socialist society, there arose insurgency due to internal and external influences, threatening the Independence and Sovereignty. At that time, the national law which was born of the struggle for Independence, had to fight and crush the insurgency and with the help of the people, safeguard the country's Independence and Sovereignty.

At the same time as insurgency was being crushed, some feudalists, exploiting weaknesses and loopholes in the Constitution tried to divide the country. In such a situation, the socialist goal was lost sight of and there came about struggle for power within the ruling party, resulting in fragmentation. In order to gain power, political parties and some feudalists made deals with offers of positions, pushing personal interests to the fore, in disregard of the interests of the country. Such factional power struggles led to deterioration in the country's economic and social situation. Due to such general deterioration,

national unity became dishevelled and the Union was pushed to the verge of disintegration.

To safeguard the nation's Independence and Sovereignty and to save the Union from disintegration, the Revolutionary Council had to timely take over leadership of the country as a historical duty, the Revolutionary Council had to safeguard national unity and revive the socialist goal.

The Revolutionary Council headed by the Party Chairman safeguarded and perpetuated the unity forged with great foresight by Bogyoke Aung San and leaders of the national race. To always preserve the Union Spirit that signified national unity is the duty bestowed by history on all the Burmese people.

During the 17th Anniversary Union Day celebrations in 1964, the Revolutionary Council declared the concept towards the national groups with aims at greater national unity and development. National representatives, after serious discussions, accepted it. They understood it fully well with the right attitude towards national unity, and have consistently been striving to build a strongly united Union.

Furthermore, while drafting the new State Constitution, suggestions of the people were sought with a view at strengthening real and strong unity. The Constitution approved overwhelmingly by the people in the national referendum is the charter of the people firmly adopt-

ed for national unity, perpetuity and prosperity of the Union for building a peaceful and prosperous society. The State Organs of Power at different levels elected in accord with the State Constitution too have become ones capable of giving expression to national unity.

For further strengthening national unity, organizational work under the leadership of the Burma Socialist Programme Party has been carried out throughout the country. Just as the Party organizations at different levels are active among the people, State Organs of Power at different levels, have also been elected in accord with the wishes of the people. Peasants Asiayone, Workers Asiayone, Lanza Youth, War Veterans Organization and other organizations have also been formed in accord with basic organizational rules. As much as these organizations can carry out effective organizational work broadly among the people, they will contribute more to consolidating national unity.

To get the people to have clear understanding of national unity correct thoughts and views, and correct working styles, Party, Peasants Asiayone, Workers Asiayone and mass organizations in respective areas are striving with organizational means. Due to the efforts of the Peasants Asiayone and Workers Asiayone at different levels, the mass of the peasantry and the workers have been organized



and it is contributing towards further strengthening national unity. Efforts of Lanza Youth, War Veterans Organization, Literary Workers Organization and Film, Theatrical and Music Council Organizing Committees etc have contributed towards the work of permeating correct thoughts and views among the people, promoting fraternity, systematically preserving cultural heritage, and warding off decadent culture.

Just as the Party, Peasants Asiayone, Workers Asiayone and mass organizations are carrying out organizational work, People's Councils at different levels must strive to bring about justice and fairness among the people and raise the living standard of the people. The People's Councils, while striving for broad participation of the people themselves in the regional affairs, must also be striving to establish true and strong national unity. The People's Councils, in making decision must not take sides with their narrow regional and racial biases but instead set righteously as it should be. Only then would it be possible to create a just social environment among the indigenous people and gain the trust and reliance of the people and this will be tantamount to further consolidating national unity.

While the respective organizations are striving for the permeation of clear political outlook among the people, for the people to come to

have correct thoughts and clearly understand the tasks laid down by the Party and State, the working people on their part should not be like in the past when the government and the people were apart from each other. The organizations which represent the people are now carrying out the affairs of the people and the people should actively join hands with the organizations. If there should be weaknesses, injustice and misdoings by responsible personnel or organizations, they should be criticised. And if there are unjust acts they should be constructively submitted rightly and accurately, whereupon action will be taken without bias after investigations. Furthermore, political, economic, management and security tasks laid down by the State are all in the interests of the people and in implementing them, the working people themselves must participate actively.

As much as the Party, the State, Peasants and Workers Asiayones, mass and class organizations and the indigenous working people work in unity for the common goal, national unity and solidarity will be further consolidated and carried on with greater momentum.

To further strengthen national unity and solidarity, we must strive to successfully implement the economic plans of the State with the strength of all the indigenous working people. As the

Constitution of the Socialist Republic of the Union of Burma states that economic system of the State is a Socialist economic system, long-term, four-year and yearly plans are being laid down and implemented. In laying down and implementing planned economic system for the economic and social development of the State, we must strive to markedly increase commodity production. As much as the commodity production increases, per capita output and income and regional output and income will increase, and it will contribute towards regional development and thence economic development of the State.

Only one four-year plan period will be left when the three four-year plans implemented with the three main objectives have come to a conclusion and the current Fifth Four-year Plan comes to an end. The objectives are; to raise the living standard of the national working people two fold; to turn agriculture country into an agro-based industrial country; and to establish socialist production relations.

At the Fifth Party Congress, a future task has been laid down to have the entire working people take active part in implementing economic plans, with conviction that the people must strive together in undertakings for the good of the majority of the people in implementing socialist economic system through plans; and that the working people are



determining forces in constructing socialist society and socialist economic system; and to utilize the strength of the people in undertaking economic activities in the process of implementing the socialist economic system through plans without losing sight of the targets of 20-year long-term plan.

The State is laying down and implementing plans to improve the material conditions and living standards of the people, and as it concerns the entire people, all indigenous people must strive together in it. While striving to implement the economic plans, all must work for national interest linked with self-interest and regional interests. As much as the strength of all indigenous people—physical, spiritual and intellectual—starting with the individuals and covering the primary units that are factories, wards, village-tracts can be mobilized systematically there is bound to be success in economic plans of the State and creation of good economic conditions.

While we are implementing economic plans by mobilizing the strength of the people to raise the living standard of the people, these plans are connected with the world economy, and so they suffer repercussions of global economic ups and downs. Especially, fall in prices of primary commodities, rise in prices of commodities produced by the industrialized countries and shrinking of the

export markets have affected adversely the State economy.

However, we must strive on our own for progress. We must strive to improve the economy by utilizing natural resources of the country and the strength of the indigenous people. In doing so, we must strive to increase the production of crops in agricultural sector for food. Only when the agricultural work is improved will food be sufficient in the country and more can be exported to foreign countries.

The population of the country increases by 2 per cent a year and it will be 55 million by the year 2000. With the increase of the population, it is necessary to increase food production. Food production must be in accord with increase in population so as to attain the set living standard. So efforts must be made not just for the present, but with foresight for the future as well, to raise the living standard of the people.

The net sown area in the whole of Burma is over 21 million acres. Multi-cropping area is more than 5 million acres and so total cultivation area is more than 26 million acres. Each year's increase in cultivation area is less than the two per cent increase in population, and so food production is not evenly up. Measures must be taken to increase per-acre yield and extend cultivation area.

In comparing the growth of population with the extension of cultivation area, it is necessary to study the cultivation of rice, the staple food of the country. In Burma the present rice cultivation area is more than 12 million acres. As there are only three million acres more suitable to grow paddy, paddy cultivation area can increase to only about 15 million acres at most. This year, measures are taken to increase paddy output in paddy growing areas.

As the population increases from year to year, it is necessary to increase output by at least one basket per acre on the average a year. As there are still limitations in taking measures to increase per-acre yield, measures must be taken suitably, to extend paddy cultivation area, to increase food production in accord with growth in population. In Burma, only when we can put all the 15 millions of acres to fully under paddy and produce 60 baskets of paddy per-acre on the average will we have enough food for the projected 55 million population in 2000. So we must resolutely strive to increase per acre yield and extend area under paddy. Moreover, we must strive to cultivate all cultivable area to increase the production of various crops in the long run, to export other crops; to get sufficient industrial crops; and to be self-sufficient in consumption. In the country edible oil output is not yet suf-

sufficient for domestic consumption so oil crop production must be increased for self-sufficiency. For that there are land and water, manpower and implements as well. There are good conditions to produce more crops, if greater efforts are made systematically. So all must endeavour together to extend the cultivated area of oil crops fully wherever cultivable in Sagaing, Magwe and Mandalay Divisions; in Pegu, Rangoon, Irrawaddy Divisions and Mon State; and everywhere else cultivable.

Cultivation and production of crops in agricultural sector is being carried out with the objectives of growing more export crops as much as possible; to grow other crops promising in foreign markets; and to grow exportable crops suitable in respective regions. Moreover export beans and pulses are being grown as special project crops.

This year in the whole country 17 kinds of beans and pulses are cultivated on 2.3 million acres and the total output will be 0.5 million metric tons. A survey of needs for local consumption, reserve for regeneration and export shows that there is sufficiency in the country. Of the output of pulses and beans, export did not even come up to 30 percent as yet. Beans and pulses fetch good prices, with good market prospects and efforts must be made for successful cultivation, purchase and transportation

etc so as to export more of good quality pulses. So measures are being taken to systematically cultivate and purchase more beans and pulses. Each grower's output is to be determined and a suitable portion of it fixed for purchase. So growers in Sagaing, Magwe, Mandalay, Irrawaddy, Pegu Divisions and Shan State, which produce plenty of beans and pulses, are required to grow them fully on every acre cultivable, sell it in full as fixed in purchases by the State and help secure success of the plan.

Crops of daily use in the kitchen are important to the people. Such crops as chillies, garlic, onions and potatoes are not only sufficient for the people but also in surplus. Yet prices are high because of hitches in transportation and distribution, snags in flow of commodities and price manipulations by profiteering traders and so forth. Efforts must be made to combat them and crops must be systematically produced more, to enable the people to buy these crops at stable prices. It is being arranged for co-operative societies to organize and buy the crops, leaving suitable portions of output for the growers. So working people from Magwe, Sagaing, Mandalay, Pegu, Irrawaddy Divisions and Shan State, which are producing plenty of kitchen crops, are to cooperate in bringing down prices by extending cultivation of these crops.

From this year on, rice

is being distributed to those in need of *wasas* (subsistence) rice in every region not yet sufficient in *wasas* rice. As rice is being distributed at moderate prices, it is the duty of peasants to sell suitable amounts of paddy to the State and co-operative organizations, in reciprocation to the State. As private traders still have the right to buy and sell exempted crops, co-operative societies buying them are to go about it with economic outlook, based on organization, and strive with economic and organizational means to bring the cultivators and producers to sell their crops willingly.

While supplying the basic consumer item of rice in the country, efforts are to be made to stabilize and bring down the prices of other commodities. As more must be produced so that people need not have anxiety about supply of food, efforts must be made in harmony in purchase and distribution of agriculture products. The task to ensure regular commodity flow to stabilize and bring down commodity prices can successfully be carried out only with efforts made in unison by all responsible personnel in every stage, from production to distribution. So it is necessary to arrive, with the strength of the indigenous people, to produce more and expedite purchase, movement and distribution.

Production of meat and fish also is important

as food for the people. Burma is well endowed naturally with abundant fish and prawn resources. The country's territorial waters have reserves of more than 1.9 million tons of fish and prawns which cannot be depleted, even with a yearly catch of 900,000 tons.

At present, about 650,000 tons of fresh-water and sea fish/prawns are being caught and there is the potential for increase in the catches. It is necessary to produce more, not only for domestic consumption but also for export. Fish and prawns fetch good prices in external markets and there also are good markets prospects. At a time when value of exports fall due to fall in prices of primary goods and metals, efforts are to be made for boosting export of fish and prawns fetching good prices with good market prospects so as to earn more foreign currency income. The natural resources such as fish and prawns of the country are to be produced increasingly to further develop the State's economy, however, in some areas, fish and prawns are being smuggled out of the country. These acts impede the country's progress and development. All indigenous people have the duty to safeguard the State's natural resources, and so should cooperate with full patriotism to stop smuggling of fish and prawns. Therefore the indigenous people in Rakhine State, Mon State, Tenasserim Division and Irrawaddy Division which

are producing fish and prawns on large scale are to keenly participate in producing more and stopping such smuggling activities.

For increased meat consumption, there is the need for more extensive livestock breeding work. Manageable scale livestock breeding is to be organized more extensively. There will be broken rice and bran as animal feed resulting from the co-operatives' milling after purchase for distribution of rice. Such feedstuff is to be supplied by cooperative societies to members to take up livestock farming and increase meat production.

In some areas this year, the cooperative societies are distributing paddy as *munna*, if it is desired by the buyer. People who buy paddy as *munna* are to expand livestock breeding, with the use of bran and broken rice they get from milling of *munna* paddy, with such individual efforts manageable-scale livestock breeding efforts are to be made to raise meat production and meet the plan targets in fish/meat production.

The forestry sector, at present, is earning considerable foreign exchange as well as fulfilling the raw material needs for construction work, farming implements and woodbased industries. To meet housing needs of the working people the forestry sector is to be expanded. For long-term extraction while preventing depletion, the forest conservation and regeneration

work is to be carried out systematically.

Unscrupulous elements in collusion with corrupt staff and some members of organs of power are indiscriminately extracting timbers. A tree has to be raised and nursed for a long time till it matures for felling. These valuable forests should be only for the benefit of the State and the people. Loss of these benefits due to the unscrupulous elements and corrupt staff should not have occurred. Therefore there is the need for the people of forest regions to collectively help stop it. Extended forest plantation is to be done on one hand and conservation of forests should be done on the other hand with the participation of the people.

There should be taken also to see that there is no pile up of logs for long periods at various production stages in order to avoid loss and wastage, and that there is no loss due to negligence in the plantations.

The mining sector is fulfilling the needs of the working people by producing the State's natural resources of crude oil, natural gas, metals and other mining products, and exporting metals and some mining products. The State is laying down objectives and implementing them to produce oil, natural gas and mining products for the long term, to extend exploration, to further increase the production of metals which have good market prospects abroad as

conditions permit, and to raise the production of high-quality refined metals, depending upon market conditions abroad.

Despite the falling prices of metals in foreign markets, the targetted value can be achieved through increasing the volume of exports. The mines are located in various parts of the country, and the indigenous people residing in these areas are to strive to increase the production according to the planned targets.

Natural resources are located at various regions, and sometimes they can be tapped economically on a large scale, on the basis of information given by individuals from among the people. Therefore, people should inform personnel concerned on finding traces of metals in various regions.

Metals as well as natural resources in the State belong to the State and authorized organizations are producing them in the interests of all indigenous people. All production of the State is for the interests of the people. Illegal mining and smuggling are undesirable acts which harm the people's interests. Therefore, smuggling, loss and wastage should be prevented with the strength of the working people.

Manufacturing and processing sector is raising the living standard of the people through production of industrial goods for meeting food, clothing and shelter needs of the people. Workers at factories and mills are working with available

local and imported raw materials.

As far as conditions permit, tasks are being carried out, as targetted in the Long-Term Plan, for developing industries including heavy industry productive forces. Only when local raw materials can be supplied to the factories according to their needs by farmers will the factories be able to run and the products can then be distributed among the people. Factories and mills are so sited nearest to these raw material sources inability to run these factories to their full capacity due to non-availability of domestic raw material should not have occurred. If a factory, constructed at great cost with foreign exchange expenditure cannot be run to full capacity due to lack of raw materials, it will cause loss on every side. Farmers should cultivate according to the plan in order to prevent shortage of raw materials at factories.

Attention should also be paid to reduce loss and wastage and to save expenditure in various commodity production in their efforts to increase and meet the people's needs. Though there have been loss and wastages at various production sites, there were also weaknesses in practical work to reduce them. There is the need to reduce loss and wastage at various work sites. These loss and wastages are due to the situation of raw material, the situation of the factory and finished goods, the situation of

transport and machinery, and shortcomings in management and co-ordinations. If the factory cannot run to full capacity owing to unavailability of industrial raw material, it will cause the factory's capacity - waste and labour-loss. Therefore responsible organizations should solve the difficulties encountered in cultivation of raw material crops, and the farmers on their part should cultivate according to plans.

For successful implementation of economic tasks, the conception, the *cetana* and honesty of the participating people are important. Loss and wastage at various work sites and root-causes for them should be deterred by the human being's knowledge. Wastage of machine - capacity and labour-loss due to lack of raw material should be managed systematically, the insufficiency in machine oil, the reduction in the strength of transporting vehicles should be solved with effective supervision and to the most beneficial level using the knowledge and *cetana*.

We have to import spare parts, capital goods and raw materials which are necessary for mills and factories in the country and essential consumer goods. To import goods from abroad we have to export agricultural, forestry, fishery and mineral products. For increased investment for economic development, the required foreign exchange has to be earned through export



of goods. If our export target is not met we cannot import raw materials, spare parts and investment goods and the industrial production in our country could come to a stop. The result will be the decline of domestic production. The fall in domestic production will result in the inability to fulfil domestic consumption requirement and the further fall in export. Beginning with our inability to export, the drop in production and economic hardships follow one after another in vicious circle. So in order to meet our export targets, the national working people and all workers in different productive sectors have to endeavour to minimize loss and wastage, to invent and renovate and make full utilization of energies available in our own country.

The Burma Socialist Programme Party, in keeping with the essence of striving to serve the interest of the people, is drawing economic plans to raise the living standard of the entire nationals and carrying out regional development plans within the framework of the national plan. With the participation of regional organizations and the local people, the potential of the national economy and regional economy are favourable. With proportionate development in the various regions the basic socialist economic system will become stronger and national solidarity will also become stronger.

So, it is necessary to draw regional development plans for narrowing the economic and social development gap, for the national working people to unitedly strive to implement the objectives of the State. Regional development plans have to be in line with the State's economic plans, so preparations have to be made beginning now. I would like to urge you to collect correct data concerning population, cultivated areas, multiple cropping areas, resettlement and the distribution of vegetables while carrying out regional sufficiency and regional development.

The State is trying to develop the social and economic conditions through economic plans in the interest of the entire national working people. Regional development within the framework of the national economic plans is actually the development of the State. Only if there is regional development will there be national development and only if the whole country is developed will the various regions develop. The Revolutionary Council Chairman on the 17th Anniversary of the Union Day in 1964 said:

In carrying out the economic and social development of the indigenous people all have to take part and work collectively hand in hand. The economic and social gap among the nationalities should be reduced as far as possible and priority

should be given to coordinate fairness as far as possible. By doing this and attaining equal conditions, and all the indigenous races working hand in hand, the fruit of our labour will be shared according to our contribution.

By heeding the guidelines on national solidarity, economic and social matters, the indigenous people should unitedly carry out, hand in hand, the development tasks of the State.

As much as the economic plans laid down by the State succeeded would the State develop and prosper. The development situations will be shared by the national working people according to their physical, mental and perseverance and the prosperity of the State will also be shared region-wise. So I would like to urge you to strive for the success of the economic plans so that the food, clothing, shelter and social needs of the national working people residing in States and Divisions will be met.

Esteemed delegates,

It is for the perpetuation of the State and to establish a society of affluence that we are unitedly laying down and implementing economic plans in the State. To fully implement this objective the strength of national solidarity is necessary and that is why we are trying to strengthen it. So as to promote mutual trust and love among the indigenous races, political,



organizational and educative measures have been carried out. Similarly, to develop the economic conditions agricultural, forestry, industrial and mineral exploration and road communication activities have been carried out according to plan. Social conditions such as education, health and cultural sectors are being improved.

By adopting such measures considerable success has been achieved in political, economic and social fields. For the national working people to fully enjoy the benefit derived, protective measures have also been carried out. In carrying out this protective measures Tatmadaw members play the most important role. In every part of the country Tatmadaw members, with love for country are unflinchingly protecting the people from all kinds of danger. Just as Tatmadaw members are protecting the people so that the people can engage in economic activities and in building the country, they are also shouldering national defence duties and the establishment of socialist society.

For the annihilation of insurgency in the country and to protect the interest of the people, the independence, sovereignty and territorial integrity of the State are important matters. So the working people must cooperate with the Tatmadaw in various capacities. Defence of the State and security duties are directly related to the

interest of the people. So only if the people take part will it be successful. The people should consider these duties as inborn and cooperate actively with the Tatmadaw. Only then would the people be able to enjoy the benefit of their work and create a good foundation for posterity.

Esteemed indigenous delegates:

My discourse is based on the political objectives of the 30th anniversary Union Day. They are:

- to keep up the momentum of further strengthening the unity and solidarity of all the national groups;

- to strive for the success of the economic plan of the State by the strength of indigenous working people; and

- for all the national groups, together with the Pyithu Tatmadaw, to take an active part in performing national defence and security duties.

As much as all the national groups are united and carry on economic activities without any danger, the present situation will improve and the momentum of development will be kept up. What we are now doing is for the perpetuation of the State and the prosperity of all the national groups. As these are the affairs of all the national groups I would like to invite all members of the delegates to put forward good suggestions and work that should be carried out for the benefit of the people.

## Council of State Secretary Closing Speech

Rangoon FORWARD in English Mar 87 pp 14-19

[Text]

The following is a translation of the closing address delivered by Secretary of the Council of State U Sein Lwin as Chairman of the 40th Anniversary Union Day Discussions in the Saya San Hall, Kyaik-kasan Grounds, Feb 11.

Esteemed delegates of the national groups and guests

In order to highlight the significance of the political essence of the Union Day, we made arrangements for the work of relaying the Union Flag and for opening exhibition pavilions so that we could realize the political objectives laid down for the 40th Anniversary of the Union Day ceremony held this year. It was to ensure maturity and further strengthening of the Union Spirit of the people in towns and villages on the plain and in the hilly regions as well as their participation, with greater awakening and consciousness, in the tasks of ensuring the perpetuity of the Union and in the development work of all the national groups that such measures had been taken. One and all must always be striving to be firmly imbued with the consciousness that every citizen of the Union must take part in all the affairs of the Union.

It is heartening and

encouraging to note that the delegates from the respective States and Divisions have taken an enthusiastic part in the Union Day discussions held today. Their discussions on national solidarity included such points as the need for every national to preserve and safeguard the fine traditions of national solidarity, the fact that the people of the various national groups would continue to always preserve and safeguard socialist humanitarianism based on national solidarity and patriotism, and the fact that all the national groups would uphold and safeguard the Union Spirit taking it as a task set by history itself so that the Union Spirit would never get extinct in the generations after generations to come. In our endeavour to keep the Union Spirit alive and dynamic and to strengthen national solidarity, we must continue to strive to translate into reality the results and the tasks gained from such discussions. Only then will practice be in harmony with theoretical knowledge and deeds with words and will all the national groups be able to enjoy the fruits of the success achieved.

While discussing matters relating to national solidarity, the delegates also made suggestions.

One delegate said that administrative means were being used in addition to organizational means in strengthening national solidarity and that the sense of duty of the departmental employees was essential in the People's Council members' endeavour to win the trust and reliance of the people and suggested that measures that would reduce the number of corrupted employees that ignored the just social environment should be taken.

A socialist democratic State has been established in our country in accordance with the provisions of the Constitution. The socialist democratic machinery that fits in with the structure of the State has also been brought into being. It is especially necessary both for the elected people's representatives and appointed employees to effectively and successfully carry out their respective duties so as to enable the socialist democratic machinery to operate more efficiently and smoothly.

The people's representatives serving with the State organizations at different levels and the employees and manual workers serving with the departments, corporations and mills and factories will be able to effectively serve

the interests of the State and the people as much as they do their respective work conscientiously and honestly and without shirking of duties.

The main thing in building a society of altruence where justice prevails is to have good persons. Only if those who are men of good character and who observe norms of morality lead, will we be able to successfully build a socialist society of justice. Since it is important to get good persons, the Party Chairman, at the Fourth Party Congress held in 1981, gave detailed guidelines in connection with making good persons available. Furthermore, guidelines for taking effective action against corrupted persons have also been given.

The President, on occasions, also gives guidance to the effect that it is necessary to take action against corrupted persons without fear or favour since corruption can become widespread just as water triumphs over fire if the volume of water is greater and fire triumphs over water if the intensity of fire is greater and that the State organizations strictly abide by the provisions of the Constitution, the laws, by-laws, procedures and directives concerned in dealing with such cases.

The Party General Secretary, in meeting with the chairmen of State and Division People's Councils, stress the need for effectively exposing and doing away with practices of corruption in the services organizations.

The Burma Socialist Programme Party has given guidance to the State sector in connection with taking of action against giving and taking of bribes in offices and departments of the State organizations as well as taking of preventive measures. The Council of State, adhering to this guidance, issued directives and also takes action whenever cases involving the practices of corrupted employees come up.

In addition, in accordance with the guidance of the Party, the Party committees in the State sector carry out educative work, through discussions, to get the organizations concerned rid of corrupted practices, or at least to keep them down to the minimum as well as get the departments to continue to take action in such cases. In order to reduce and put an end to the practices of corruption owing to covetousness and placing personal interests above everything else without giving any thought to the interests of the country, the State has enacted a law for taking action against possession and sale of property obtained by illegal means and accordingly takes action. This is the law which was enacted with a view to contributing towards building a society based on justice.

In order to reduce the number of corrupted employees and finally put an end to such practices, the people on their part should expose such cases giving concrete evidence and accurate facts. Acting on such evidence and facts, those concerned

shall make greater efforts to take effective action against shirking of duties and corrupted practices of departmental employees. More effective supervision work will be undertaken at different levels and continued efforts will be made to turn the services organizations into ones that effectively serve the interests of the indigenous working people.

Some delegates said that the primary schools in their respective areas lack many primary assistant teachers and that the number of graduates who wish to serve as PATs there is so small that there are difficulties to fill the vacancies of PAT posts.

The State sector is striving, in accordance with the educational policy of the Burma Socialist Programme Party, to raise the educational standard of the State. Since the basic education sector is the foundation of the whole educational structure, it must not only be sound but its standard must also be high. The need to raise the qualifications of the primary assistant teachers is one of the main requirements for making the foundation sound but also high in standard. That is the reason why it has been prescribed that only graduates are to be appointed as PATs. Priority is to be given to appointing graduates of the regions concerned. Only when there is not an adequate number of local graduates to fill the vacancies, those from other areas wishing to go and serve there are appointed. There are many unemployed graduates in the country, but

since the number of graduates wishing to go and serve anywhere is still small, there arise difficulties in recruiting teachers. So, those concerned will be informed so that they may find out ways and means of filling the vacancies of teachers in the primary schools.

One delegate suggested that the names of the ancient pagodas, cultural edifices and places in various parts of Burma should continue to be called by the names called by the people of the national groups and that these cultural relics of the past should be preserved and well looked after wherever they may be.

The State is taking measures to preserve and safeguard the cultures of the respective national groups and raise their standard in accordance with the cultural policies of the Burma Socialist Programme Party. The committee for bringing out the historical cultural values of the national groups was formed under the guidance of the Party Chairman and the sub-committees in the respective States are seeking out the cultural traditions of the nationalities and putting them on record.

The State is taking good care of the pagodas and cultural edifices to preserve them as they are and is thus preserving and safeguarding the cultural relics of the past. The names which have been used since ancient days are still being used and are being put on record. Moreover, arrangements have been made to seek out the remaining ancient pagodas and cultural edifices in the

respective areas, study them and preserve and safeguard them.

It has been suggested that cultural and information work should be expanded and intensified in the States to get the indigenous people come to be imbued with correct outlooks and to prevent decadent cultures. The State sector draws up yearly plans and carries them out in connection with this task. Cultural branches have been opened in the respective States and library and museum work is being undertaken under the leadership of the Party Regional Committees and the supervision of the People's Councils.

The State has got the departments concerned produce dramas, short plays and group dances which arouse in people sense of patriotism and which help preserve ancient traditions and cultural traits and they are staged at public ceremonies. The radio and television programmes proportionately combine education and entertainment for transmission. Cultural troupes also undertake the programme of touring the States and Divisions for giving performances from time to time in co-ordination with the State Division People's Councils concerned. The State sector is also taking necessary measures to prevent decadent cultures. These have been undertaken with the purpose of preserving traditional cultures, doing away with decadent cultures and inculcating on the people of the national groups with correct outlooks.

Books which depict the cultures of the national groups and their traditions have been published; articles about them are published in newspapers, journals and magazines from time to time; the radio and television programmes on them have been expanded and educative and entertainment work through them is also being undertaken not only to ensure recreation to the indigenous working people but also to give them fresh strength for nation-building work. Besides these, news reels and documentary films are made and screened to keep the people well-informed and to educate and entertain them. All these are aimed at inculcating on the indigenous people with correct outlooks and upholding and developing the spirit of national solidarity. Not only the State sector but also the intellectuals and members of the intelligentsia as well as the artists concerned must also carry out more effectively the tasks of preserving and safeguarding the traditional cultural relics, of enlarging the scope of knowledge of the indigenous working people and getting them imbued with correct outlooks and of preventing decadent cultures on an extensive scale. At the same time it is necessary for the indigenous working people on their part to help prevent ancient monuments and buildings from decaying and cultural relics and properties from being stolen or destroyed. I would like to urge every national to work in co-operation with others with



a sense of duty and loyalty for ensuring the perpetuity of our State, our races and our cultures. Esteemed delegates of the national groups,

The delegates of the national groups have presented, on the basis of the points I discussed in connection with the economic matters relating to what they experienced in their respective areas and some made suggestions on matters they would like us to continue to carry out. The delegates from Kachin and Karen States discussed matters relating to building dams and embankments for bringing about agricultural development and to carrying out survey work for correctly assessing the type of soil.

With a view to boosting cultivation and production in the agricultural sector of the State, more and more investments are being made every year in the agricultural sector including the construction of irrigation canals, dams and embankments. The irrigation canals and big dams are being constructed extensively as conditions permit with the objective of making water available and preventing floods. Small dams and irrigation canals are also being constructed with the co-operation of the working people.

Altogether 59 irrigation canals and dams were constructed in the Kachin State up to the 1985-86 fiscal year and water supplied to over 50,000 acres of land. Nine irrigation canals are being built in 1986-87.

There are seven dams and 14 embankments for prevention of flood in the Karen State and they now supply water to over 34,000 acres of land. Preliminary field work was carried out and necessary survey work undertaken in detail for laying down a project for ensuring good flow of water in the Metaung-Naunglon drainage canal in Pa-an Township, Karen State.

For lack of services personnel at present the survey work can be done only to a certain extent with upper and lower Burma divided into sectors. Guidance will therefore be given to those concerned for ensuring correct maps and data, correct classification of land and achievement of agricultural plans.

Delegates from Kayah, Karen, Chin and Rakhine States forwarded suggestions on extending cultivation of oilseed crops, rubber and coffee.

Plans have been laid down and are being implemented to produce oilseed crops for ensuring sufficient supply of edible oil to cope with the increasing population year by year. Though 5.7 million acres were put under oilseed crops by 1985-86, arrangements are being made to put nearly six million acres under oilseed crop in 1986-87. If oilseed crops are cultivated as targeted it is estimated that over 300,000 tons of edible oil will be available.

Regarding cultivation of coffee, arrangements are being made to extend

the State-owned, co-operative - owned and private-owned coffee plantations produce in the three years between 1986-87 and 1988-89. Similar measures are being taken in Chin State during the coming three years. Since there is the need to organize peasants for the purpose, measures are being taken in co-ordination with those concerned to supply inputs and to educate peasants.

A delegate from Tenasserim Division suggested that palm oil should be turned into edible oil. Measures for constructing modern oil mills for the oil palm plantation in the Tenasserim Division are being taken in co-ordination with those concerned. Before the construction of the modern oil mills is completed, oil for use in mills and factories is being produced by small home-made oil mills to prevent wastage of the coconuts produced.

With the objectives of increasing the production in fishery sector delegates from Tenasserim Division and Mon and Rakhine States forwarded suggestions that fishing nets be sufficiently distributed, effective action be taken against smuggling of fish and prawns, that fishing trawlers and cold storage be put in operation and fuel oil be produced to the full.

Efforts are being made to achieve the objectives of increasing production of more meat and



fish for the consumption of the people during the Fifth Four-year Plan period, of giving priority to producing fish and prawns which are main export items and of producing more animal and marine products which can be exported. Moreover, such measures as supplying necessary inputs for increasing production of fish, catching more fish in the fishing waters belonging to Burma and extending catching of sea fish in new fishing waters have been taken and are being implemented.

As regards smuggling of fish and prawns, the organs of power and security organizations concerned will have to strictly follow the directives already issued and take necessary action. The State has been catching and producing fish and prawns and also purchasing them from fishermen in private sector and exporting them. Fish and prawns have a market in other countries and fetch good prices. The increase in catching and producing of fish and prawns will bring more foreign exchange and with the increased receipt of foreign exchange, larger investments could be made in the interests of the working people and therefore raw materials and machine spare parts for industries could be imported and this will contribute towards increasing production. If the State is able to export more and more fish and prawns, the working people will enjoy greater benefits. In this

respect, it is necessary for the people to take part in these endeavours which will bring benefits to them. It is also necessary for the working people to give information concerning the smuggling of fish and prawns and to expose the offenders and take collective measures to prevent smuggling.

As regards the forest sector, the delegates from Kayah State, Tenasserim Division, Pegu Division and Rakhine State made suggestions. During 1985-86, 3,000 tons of *kanyinphyu* logs were extracted in Bokeyyin Township, Tenasserim Division and this year the production increased to 16,000 tons and exported to other countries. Co-ordination work in this respect has been undertaken with buyers from other countries for increasing production up to 40,000 to 50,000 tons. Regarding suggestions on taking effective action against illegal extraction of valuable timber by corrupted services personnel and some responsible persons, efforts are being made through management and organizational means to prevent such malpractice. In connection with the enforcement of forest rules and regulations, inspection and investigation teams have been formed township-wise with representatives of various departments and projects have been laid down for making field trips. In order to do away with illegal extraction of timber, it is necessary for responsible personnel of the regional

organs of power to take effective action under the rules and regulations prescribed and it is also necessary for the working people living in the forest areas to take part in afforestation and forest conservation work.

In connection with the measures for the enforcement of forest regulations, thorough inspection work is being carried out in addition to normal inspection work by the inspection teams of various departments formed township-wise according to the projects laid down. In order to minimize the loss of timber illegally stolen from forests, the responsible personnel of local organs of power are to take effective measures in accordance with the prescribed rules. Similarly the working people in the forest areas are required to participate in the measures taken for conservation of forests.

The delegate from Tenasserim Division submitted the matter relating to the steps to be taken for ensuring security, health and social requirements of the forest workers as well as measures for keeping and looking after the elephants being used in carrying heavy logs. In this connection, the personnel concerned are fulfilling the security and health needs of the forest workers. Further instructions will be given so that the Ministries concerned, Party Regional Committee members and State/Division People's Councils can make greater efforts and pay more attention to the work for social

development of the forest workers.

The delegate from Tenasserim Division also made suggestions on measures for supplying kerosene, candles and dynamites to be used in mines to the workers as well as for buying metals from piece-rate workers (paikthaza) at reasonable prices and preventing the metals from being smuggled out of the country.

Rice and candles are being distributed to the mining workers in Yebyu, Pulaw, Tenasserim and Bokepyin Townships of Tenasserim Division. Materials such as kerosene and dynamite to be used in mines are being distributed on equal basis. Although the prices of metal in world markets are falling, the State has been buying metals from piece-rate workers at a loss. Smuggling of metals cannot be prevented by only one way—that of paying higher prices for the metals bought from piece-rate workers. It is necessary for the Party, the Councils and the Workers Assemblies concerned to co-operate with regional security units in the endeavour to prevent the blackmarketing of metals.

Regarding the industrial sector, the delegate from Rakhine State made suggestions on measures for expanding the production work of the coir factory. In this connection, arrangements are being made to expand the production of Manaung coir factory depending on the availability of coconuts.

The delegate from Chin State suggested that the raw materials needed for silk-weaving industry be sufficiently supplied. In this connection, the Ministry concerned has consulted with the Chin State Party and People's Council for purchase of cocoons. As a result of these consultations, materials needed for mulberry keeping are being sold to mulberry breeders.

Only if the raw materials needed for local industries can be produced sufficiently at home, the objectives for constructing mills and factories in the country will be fulfilled. If the raw materials are to be imported for the mills and factories which have been constructed on the basis of estimated availability of locally-produced raw materials, the objective for replacing the imported raw materials will not be achieved. Thus, just as the farmers have to make efforts to make raw materials available for the mills and factories constructed on the basis of estimated availability of locally-produced raw materials, all organisations which are responsible are required to make efforts to solve difficulties being encountered in cultivation work. The feasibility of continued implementation of Kyein-kha-ram Kha Hydroelectric Power Project in Myitkyina Township, Kachin State has already been studied. When the total expenses to be invested are allotted, the implementation of the Kyein-kha-ram Kha

Hydroelectric Power Project will have to be started. Moreover, the Ministry concerned will have to give instructions to study whether there is feasibility of implementing the small-scale hydroelectric power project at Hopingalaing creek in Mohnyin Township or not.

The delegate from Rakhine State suggested that survey work be carried out and natural gas be produced before oil cannot yet be extracted in Ramree, Manaung, Phayonkar islands and Rathedaung Township.

The extraction of oil began in Rakhine State in 1964-65. Although a test well was drilled in Rathedaung in 1973, it was not successful. A total of 21 test wells were drilled in Kaletsaung area on Ramree Island from 1979 to 1981 and a few gallons of crude oil were produced. The oil is being distributed to neighbouring areas after being loaded. Survey work is being carried out so that oil exploration work can be conducted in shallow water areas near Phayonkar Island as well as in other areas in Rakhine State. Further details on feasibility will be studied in connection with the suggestion by the delegate from Magwe Division for re-drilling old oil wells so as to be able to produce crude oil.

The delegates from Kachin and Karen States and Tenasserim Division suggested that more roads and bridges be constructed. Objectives

have been drawn up to give priority to the construction of roads, bridges and economic enterprises for economic and regional development of the entire nation in the construction sector. It is learnt that over K 261 crores were spent for the construction of roads and bridges in 1986-87. The road transport and communication projects are being extended for economic, social and regional development of the State and the construction of highway (more than 12,00 mile long) has been completed in 1986-87. In addition to the construction of new roads, the existing roads are being reinforced and properly maintained.

The delegate from Kachin State submitted matters regarding Shwebo-Myitkyina motor road. The road is a vital link as it connects Sagaing Division and Kachin State. As the improvement of this road condition will bring about greater regional development, construction work is being carried out to turn this road into an all-weather one. There are arrangements to upgrade Myitkyina - Nant - siung section of the road after survey work has been carried out. Funds have been allocated during the Fifth Four-Year Plan period and arrangements are being made to continue the work of turning this road into an all-weather one. Regarding Katha-Shwebo-Bhamo road and Myitkyina, Sumprabum-Putao road, work will be continued during the Fifth Four-Year Plan

to extend these roads as well as for maintenance purpose.

The delegate from Tenasserim Division suggested that Road Transport Corporation's vehicles should be put into service on Ye-Tavoy motor road and that Five Star Shipping Corporation vessels should make more trips. In this respect, the Central Movement Co-ordination Committee is taking necessary steps to use private motor vehicles in addition to those of the State transport organizations. In addition to four vessels to transport both passengers and goods and two cargo vessels along the Tenasserim coast, more vessels are being provided.

Plans have been laid down and are being implemented for the economic and social development in the State and success has been achieved as a result of the participation and co-operation of the indigenous working people. Efforts are being made to increase production of paddy which plays a vital role in meeting the food needs of the people and in ensuring that the people do not get worried over food.

In addition, work is being systematically carried out for increasing production of beans and pulses, oilseed crops and other basic crops for kitchen use. As co-ordinated efforts are being made for the increase of fish and meat production, endeavours are being made for increasing production in economic sectors

such as forests, mining and industry. While the State is carrying out measures to meet the food, clothing and shelter needs of the people, it is necessary for the working people to take part in whatever role they may have to play. With such co-operation and participation, greater success will be achieved in implementing economic plans and bringing greater benefits which would be shared by the indigenous working people. Concerted efforts therefore will have to be made with zeal and perseverance in implementing the economic plans.

The delegates submitted matters relating to the collective efforts being made by the indigenous working people who work hand in hand with the Pyithu Tatmadaw for the defence and security of the State. With the improvement of Pyithu Tatmadaw's military, organizational and administrative skills and greater co-operation and participation of the people, more success will be achieved in the task for annihilating the insurgents.

The indigenous working people who have been persecuted by the insurgents have taken up whatever arms their hands can lay upon and are fighting against the insurgents.

The people are resisting their looting and their causing destruction, their asking for extortion money and forcibly organizing of the people into their ranks and people are holding anti-insurgent

mass rallies. The people's militia units, working hand in hand with the Tatmadaw, are crushing the insurgents, and on the other hand, more and more anti-insurgent groups formed in response to the wishes of the people in the regions formerly dominated by the insurgents are gradually coming into existence.

These activities of the indigenous working people against the insurgents are proof of the people's getting disgusted with the lawlessness and treachery of the insurgents.

In some regions on the border areas of northern Shan State, the BCPs in collaboration with the local insurgents have for quite a long time, dominated and oppressed the indigenous people. Owing to their immorality, their trafficking opium, their asking for extortion money and their oppression, the people of the national groups have come to loathe them. The insurgents took some military adventures to stop their all-round deterioration. The Tatmadaw, which always stands on the side of the people and works hand in hand with the people succeeded in crushing the BCPs in regions such as Hai-Hai Wan/Te-pang, Mong Paw, Kyauhtok(Pangnai), Man-hio, Hunhai and Nawn-ga once dominated by the BCPs, in Muse and Namhkam Townships.

The Township Party and People's Council functionaries concerned, Lanxin youths and members of the mass and class

organizations gave necessary assistance such as doing first-aid and Red Cross work in the military action taken by the Tatmadaw units. It was owing to the manpower, financial and material assistance of the indigenous people of the areas and their conscientious and active participation in crushing the insurgents that such victories had been achieved. Therefore, arrangements are now underway to ensure the rule of law, peace and tranquillity and regional development in these areas.

Just as such outstanding victories have been achieved in the Shan State by the strength of the people, the respective organizations and the indigenous people in the remaining areas are unitedly joining hands with the Tatmadaw as well as among themselves to achieve similar victories. Military and political measures being taken in the Karen State which are aimed at completely doing away with the very existence of the insurgents are making great strides.

Just as the momentum of military operations is being raised in such a situation when the insurgents are crumbling, organizational, and management means are also being employed in the endeavour to improve the economic and social conditions of the indigenous people, to establish the rule of law and to enable the people to live in security, peace and tranquillity. The efforts at

completely doing away with the insurgents in Mon State and Tenasserim Division by the strength of the people are being stepped up. The Party and the State also give due rewards to the members of the people's militia units and those of the anti-insurgent groups that have taken part in the task of crushing the insurgents and destructive elements.

It is necessary for the local people to co-operate more with the Tatmadaw employing such means as timely reporting on the movements of the insurgents,

exposing the hardcore operatives of the insurgents and exposing the blackmarketeering businessmen who have connections with the insurgents so that they could render more effective help to the task of completely doing away with the insurgents. I would like to urge for more friendly and intimate co-operation by adhering to the fine traditions of the Pyithu Tatmadaw and the people joining hands for continued endeavour to crush the insurgents.

Esteemed Union Day delegates,

At the discussions held today, the delegates discussed, in all seriousness, measures for ensuring the perpetuity of the State, for strengthening and consolidating national unity and for bringing about development of the respective national groups. In the course of discussions, I presented the existing situations in the State



and the tasks which should be carried out. The delegates presented the situations in their respective States and Divisions and forwarded suggestions in a constructive manner. On behalf of the Council of State and the Central Organs of Power, let me thank the delegates for their frank discussions.

The essence of the discussions is as follows:—

—the fact that every Union national is determined to strive for national solidarity seriously taking it upon himself or herself as a task set by history itself;

—the fact that all the indigenous people will co-operate with one another and strive, with might and main, for improving the economic and social conditions of the respective national groups;

—the momentum of the task of completely doing away with the very existence of the insurgents and destructive elements for ensuring peace and tranquillity and development of the State shall be raised by the might of the people.

Thus, I would like to urge the delegates to share the points discussed here with the local people and to promote co-operation, vigilance and consciousness when they are back in their respective States and Divisions. I would also like to urge the entire working people including the Union Day delegates to translate the political objectives laid down as well as the points discussed here into action with enthusiasm, zeal and perseverance.

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## FOURTH MEETING OF FOURTH PEOPLE'S ASSEMBLY REPORTS

## Report of Council of Ministers

Rangoon THE WORKING PEOPLE'S DAILY in English 10 Mar 87 pp 2-3

[Text]

RANGOON, 9 March—On behalf of the Council of Ministers, Prime Minister U Maung Maung Kha presented the report of the Council of Ministers to the fourth session of the Fourth Pyithu Hluttaw on the opening day today.

The following is a translation of the report presented by the Prime Minister in connection with the Council of Ministers report:

In accordance with the Constitution of the Socialist Republic of the Union of Burma, the report of the Council of Ministers in connection with the situation of the State is hereby submitted on behalf of the Council of Ministers to the fourth session of the Fourth Pyithu Hluttaw.

As stated in the preamble, the report covers the work done by the Council of Ministers in the administrative sector for the six-month

period from 1 July 1986 to 31 December 1986. The report contains a preamble, seven chapters and a conclusion. As the report has already been distributed among the Pyithu Hluttaw members, only a summary of the important points will now be presented.

Economic matters will first be presented. A Bill of the annual plan objectives for 1987-88 which is the second year of the Fifth Four Year Plan and the State Budget Bill for fiscal 1987-88 will be presented at the current session of the Pyithu Hluttaw. The report, it will be seen, covers work done in 1986-87 and how the plans for 1987-88 will be drafted and implemented. The Deputy Prime Minister and Minister for Planning & Finance will be making a detailed report to this Hluttaw session in connection with such work done.

I would like to report on the work done for further progress of the agricultural sector, the mainstay of the State economy. Everything is being done to achieve greater agricultural production as a matter of priority. All organizations concerned have been striving to achieve higher paddy production under close supervision of high yield paddy cultivation supervision committees of all levels which have been formed according to the leadership and guidance of the Burma Socialist Programme Party. Special projects are being drawn up and implemented to achieve regional self-sufficiency, promote export commodities and augment industrial raw material availability. Propagation of modern scientific methods of cultivation is also being carried out. Quality seeds, chemical fertilizers, pesticides, farm material inputs and

equipment are also being distributed. Experiment and research have been carried out to improve strains and quality seeds thus developed have been distributed to the farmers. Financial assistance is also provided to the farmers in the form of seasonal cultivation loans as well as in the form of development loans for the purchase of draft cattle, carts and water pumps. Advance purchase is made in the case of such industrial raw materials as jute, cotton, sugar cane and virginia tobacco. Tractors and water pumps were also sold to village co-operatives and farmers' collectives.

Besides efforts to increase per-acre yields of individual crops, endeavours were made to increase the acreage under cultivation through utilization of virgin and uncultivated lands. Irrigation and embankment programmes are being implemented with the investment of State funds to increase irrigated acreage and the acreage protected against floods. During 1986-87 village irrigation and embankment works were also carried out with the priority consent of the State/Division People's Councils concerned. The momentum of agricultural production was maintained because in addition to the numerous endeavours made by the State to promote production, mass people's movements were organized region-wise in agricultural activities. Arrangements were made for production to be greater than last year

in the case of certain important planned crops including paddy, oil seeds, industrial raw material crops and beans and pulses.

As mentioned in the report, regarding paddy purchase for 1986-87, it was expected that 739.4 million baskets would be produced of which 200.2 million baskets were to be bought by Trade and 137.1 million baskets were to be bought by co-operative societies resulting in an expected purchase of 337.3 million baskets of paddy. Up to 8 March 1987, Trade had bought 90.35 million baskets and co-operative societies had bought 85.0 million baskets, making a total of 175.25 million baskets already bought.

In the forest sector, modern extraction methods which cause less wastage than traditional methods were expanded. New nurseries were also set up for long-term exploitation of forest resources and cut down deforestation while the acreage of protected forest areas were increased and systematic maintenance of forest reserves carried out. Due to such activities, the production of such forest products as teak, hardwood, fire-wood, charcoal, bamboo and cane during 1986-87 were greater than in the previous year. Thanks to the numerous efforts made for greater production and export of wood and wood-based products, plan targets were exceeded during the period under report. The report mentions that a total of K 569 million

worth were exported during the period.

Livestock breeding and fisheries are being carried out according to efficient methods which have been laid down for greater production of meat and fish besides distribution of quality broods of draft cattle and other animals, propagation of quality breeds is also being promoted through increasingly wider utilization of artificial insemination. Constant efforts are also being made to propagate systematic methods of animal breeding while at the same time treatment and prevention of diseases are being carried out with increasingly wider distribution of animal feed and veterinary medicines. Activities to develop suitable pasture land vital for livestock breeding and to maintain existing pastureland are being carried out according to specific projects laid down and implemented regional-wise. Fish production is being promoted through utilization of artificial insemination for the propagation of quality species. Deep-sea fishing activities are also being carried out according to specific work projects while priority is being given to lobster and prawn fishing resulting in over-fulfilment of targets.

The work of mineral exploration is being carried out systematically on the surface and the underground by work committees for increased mineral production. During 1986-87, the production of principal minerals - tin concentr-

rates, refined gold, refined silver, refined lead, zinc concentrates and copper concentrates—met the planned targets.

The special metal (2) experimental exploration project; the special gem (diamond) exploration work and the exploration work of phosphate, which is useful to produce chemical fertilizer; and the exploration work of bauxite ore and nickel ore—which are vital to industrial sector—are given priority. The extracted mineral ores are refined or concentrated through metallurgical methods. Various kinds of alloy, that can be produced from local minerals, are being turned out on a trial basis, and the work has met success.

The Burma Gems Emporium is held every year and K 45.16 million worth of gems, jade, pearl and jewellery were sold at the 24th Burma Gems Emporium held in November, 1986.

The oil and natural gas exploration work is being undertaken at regions where there is high potential. The production of crude oil at existing wells has fallen and therefore we need to be frugal in using petrol, diesel oil, furnace oil and kerosene. Basing on the crude oil production, the Ministries are to carry out their tasks giving priority on export, domestic production and services activities.

Natural gas is used at many places in inland regions in the country where it is available. It has been discovered in

great quantity on the Burma's offshore areas. Pipelines have been installed to be able to utilize the gas as energy as well as a raw material. The natural gas extracted from Payagon, Kyaiklat Township, Irrawaddy Division, is piped to mills and workshops in Rangoon Division. As the gas is used at these places in substitution for diesel oil, petrol and furnace oil have been saved. A total of 26,968 million cubic feet natural gas was extracted between April and December, 1986; and this volume is equivalent to 4.5 million American barrels of crude oil. About 32.88 million gallons of fuel oil earmarked for the mills and workshops were distributed to motor vehicles. A plant, that can turn out 450 metric tons of methanol from natural gas yearly has been constructed in Kyangin, Irrawaddy Division. Arrangements are being made to transport the methanol to Syria by water and later to export it. Arrangements are also being made to produce chemical products from methanol for domestic use and experiments will be carried out for use of methanol instead of diesel and furnace oil to run the factories. Some of the fertilizers produced by the three fertilizer plants were exported. Pilot plants of our own design, that are to be built with locally made materials and that consume natural gas, will be constructed. In constructing small factories, we will import the essential machinery parts only.

Efforts were made to produce more electric power, which is vital in energy sector.

The constructions of big-scale hydroelectric power project such as the Sedawgyi project and Kinda Multi-purpose Dam Project, mini-hydel power projects and steam power stations and power stations that consume natural gas are mentioned in the report. Measures are being taken to generate more electric power and on the other hand the work of installing electric supply and distribution cables were carried out.

Priority is given in carrying out projects for timely completion of the work and to ensure the increased production in industrial sector. Efforts were made to enable newly completed factories and mills to produce in full capacity. Endeavours were also made to enable the projects to utilize mechanical power fully and the existing production establishments to operate without losing momentum. The raw materials and machinery spares needed by the factories and mills are imported depending on the receipt of foreign exchange and on priority basis. Arrangements were also made for providing raw materials locally produced while emphasis was placed on using raw materials locally produced in place of imported raw materials.

Research work implementation committees have been formed to put innovations and re-

searches into practical use for the development of the State. Regarding research and production work carried out experimentally, small turbines are produced on experimental scale for hydro-electric power generation and rail cars are used for small rice mills with daily capacity of 25 tons and 50 tons. Research was conducted by the Central Research Organization for producing bingae by using hyacinth pulp. Research works have been successfully carried out in producing newspaper through recycling of old newspapers and for producing chemical pulp from jute stalks and using the pulp for making paper.<sup>1</sup>

Ways and means are to be sought to earn foreign exchange to purchase machinery spare parts which are essential for industrial work, mining work and etc of the State.

The prices of Burma's export items have fallen remarkably since 1981-82. The average price of export items decreased 26 per cent from 1981-82, to 1985-86. In 1986-87 the prices of export items fell lower than the prices in the previous years. In addition, the market for no export items became narrow. Hence the value of exports fell below target. However efforts were made to export as much as possible and a greater quantity of goods could be exported compared to the previous year.

Ways and means are being sought and all-out efforts made

to protect exports from being adversely effected for a long time. In accordance with the policies and guidelines, projects have been drawn and implemented to earn foreign exchange not only from exports but also from services. Under the arrangements of international organizations such as United Nations, services personnel were permitted to work abroad. For enabling more Burmese seamen to get jobs, the bare-boat charter system has been implemented.

Efforts are being made to meet original targets by exporting more quantities and new export items. The market study groups from abroad were invited and held discussions to export new items. The Burmese trade delegations were also sent abroad to explore new markets. New items were exported on experimental basis.

An export target of K 4,281.7 million was set for 1986-87. However, according to the provisional figures, K 2,925.1 million worth of goods could be exported. Hence, only 68.3 per cent of the plan target was realized. However the revised export value is more than the export value for 1985-86. During April and December in 1986, K 2,355.7 million worth of goods were signed for export and out of them K 1,677.7 million worth of goods were shipped. According to the latest figures, altogether K 2,126.3 million worth of goods were exported from April 1986 to 8 March 1987.

The transport service plays an important role in endeavours for promoting export to earn foreign exchange. To overcome the difficulties encountered due to the inavailability of fuel oil, arrangements are being made for operating locomotives with gas. Arrangements are also being made for operating motor vehicles with gas. Although it could not be carried out immediately due to the supply, it will be carried out as soon as possible. The report states that locomotives and carriages were purchased and old carriages were repaired by laying down projects for ensuring convenience in transporting goods and passengers. It can be seen in the report that the construction of local auto exchange stations and the refurbishment of the telephone system in Rangoon City is being carried out for improving communication works. During the period under report, auto exchange stations were installed in seven towns. Hence, the auto exchange stations have been installed in 24 towns in Burma.

The report states that work is being extended in the co-operative sector, the second pillar of the State economy. In accordance with the resolution of the Pyithu Hluttaw, the forming of the pilot co-operative agricultural societies is being implemented by laying down projects. Moreover the co-operative societies also take part in developing livestock breeding work.



Producers co-operative societies activities such as livestock breeding work, production work of forest-sector, production work of mining sector, weaving industry, oil milling work, producing condensed milk, recycling of waste-products and by-products were also being carried out. In accordance with guidelines, the co-operative societies have been carrying out paddy purchase and rice milling and distribution work by laying down projects. In Rangoon Division, the co-operative societies distributed cooking oil at reasonable price. The co-operative societies have also been laying down projects and implementing plans for stabilizing and bringing down commodity prices and ensuring regular flow of commodities. The rice distribution work in Rangoon Division has been implemented according to guidelines since 1 January 1987. Rice distribution work in the whole Burma has been implemented since 1 February 1987.

I will continue to present activities relating to administrative and social affairs. The high social standard is a good basis for productivity and economic development. For raising the social standard of the people, the State has been increasing investments in social works such as education, health, information, social security and social welfare and successes were achieved as a result of active participation of the working people.

All-out efforts were made for all-round development of the Burma's education system. Projects were being laid down and implemented for developing the education system; such as basic education, technical, agricultural and vocational education and higher education. In doing so, all standards in basic education level were taught according to new syllabus beginning from 1986-87. For raising the teaching standard, more primary, middle and high schools were opened, more teachers appointed and, subject-wise refresher courses opened in 1986-87, school buildings were also constructed and laboratories constructed to provide more facilities for practical work in science subjects.

School lessons for the benefit of basic education students are being broadcast and beamed on television and also through television retransmission stations constructed in States and Divisions. It is mentioned in the report that the television transmission has been extended to Rakhine State and Mizoram Division during 1986-87 and that construction of retransmission stations are under way in Taunggyi, Myitkyina and Bhamo. The report mentions that the television programmes have been beamed on an experimental basis to Myitkyina of Kachin State, Haka, Falam and the peak of the Mount Kennedy in Chin State since 12 February, 1987, Union Day.

With a view to upgrading public health, the People's Health Plan is being implemented throughout the country extensively and the work has met with success due to the active participation of the working people. Plans are under way to open more station hospitals and health centres in rural areas with a view to narrowing the health gap between the rural and urban areas. Health personnel of the 1,337 rural health centres in rural areas, 345 maternity and child care centres in urban areas, 81 school health committees and 64 secondary health centres attend to the health of farmers, urban population and students round-the-clock in addition to the task of implementing the People's Health Plan; detecting the diseases; and of carrying out preventive and eradication measures against diseases. Medical research work, work on nutrition, environmental sanitation work and talks on health education are given priority which will be of help for preventive and curative measures. Among the work projects undertaken by the Ministry of Health, the construction of youth sports training centre for the development of youth is in progress and the construction of a planetarium has been completed for the working people to gain general knowledge. A total of 332 tube wells were sunk during 1986-87 in rural areas where water is scarce. As the work of

sinking tube wells in villages has been carried out every year, the tube wells now total 10,312 and sufficient drinking water is being provided to seven million people of 8,803 villages. In addition to this work, the work of digging hand-dug wells; channelling water from streams; and repairing of old wells has been done. In supplying water to urban areas, the projects for providing water to Mandalay, Magwe and Prome as well as to other nine towns are being implemented. The Puyi Water Supply Project is being implemented to provide water to Rangoon.

As regards foreign relations, it is mentioned in the report that Burma maintains friendly relations with the nations of the world. It

also mentions that Burma, adhering to its independent and active foreign policy, is calmly taking part in the activities of the UN and international organizations.

The Council of Ministers is carrying out its tasks practising collective leadership and taking collective responsibility in accordance with the duties endowed by the Constitution and the principles of socialist democracy. I would like to request, through the Chairman, for the Pyithu Hluttaw members to discuss and give opinions on the activities of the Council of Ministers and give advice on them and for the Pyithu Hluttaw to approve the report of the Council of Ministers.

NAB

## State Budget Bill Explained

Rangoon THE WORKING PEOPLE'S DAILY In English 10 Mar 87 pp 7, 9

[Text]

**RANGOON, 9 March—** On behalf of the Council of Ministers, Deputy Prime Minister and Minister for Planning & Finance Thura U Tun Tin presented 1987 State Budget Bill to the fourth session of the Fourth Pyithu Hluttaw on the opening day today.

The following is the translation of the speech of the Deputy Prime Minister and Minister for Planning & Finance Thura U Tun Tin:

1. With the permission of the Chairman of the session I shall present, on behalf of the Council of Ministers, the 1987 State Budget Bill, 1987-88 State Budget Estimates and the 1986-87 Revised Budget Estimates to the fourth session of the Fourth Pyithu Hluttaw.

2. The 1987 State Budget Bill has been drafted on the basis of the Budget Law passed last year. Since there are no changes in the income tax provisions from last year nothing has been mentioned about income tax.

3. The 1987-88 State Budget Estimates have been formulated on the basis of the Budget Bill being submitted to the present Pyithu Hluttaw session and the situations in the 1987-88 budget estimates are:—

(a) The net surplus of Organs of State Power, Ministries and Departments is estimated at K 5 million. In the current account, receipts are K 7400.1 million and expenditures are K 6322.6 million giving a surplus of K 1077.5

million. In the capital account, receipts are K 240.3 million and expenditures are K 2258.2 million, giving a deficit of K 2017.9 million. In the financial account, receipts are K 1550.5 million and expenditures are K 505.1 million giving a surplus of K 1045.4 million. Taking the three accounts as a whole there is a surplus of K 105 million. Based on the experiences of past years, K 100 million has been earmarked for the reserve fund leaving a net surplus of K 5 million.

The current account receipts of K 7403.1 million include K 4542.1 million in revenues.

(b) In the current account, receipts of the State Economic Organizations are K 37085.1 million and expenditures are K 26530.3 million, giving a surplus of K 554.8 million. In the capital account, receipts are K 149.1 million and expenditures are K 5107.5 million, giving a deficit of K 4958.4 million. In the financial account, receipts are K 1865 million and expenditures are K 1326.9 million, giving a surplus of K 538.1 million. On the whole the State Economic Organizations are expected to borrow K 3865.5 million from the bank.

(c) In the current account of the Development Committees and the Development Organizations receipts are K 271.4 million and expenditures are K 225 million, giving a surplus of K 46.4 million. In the capital account, expenditures are K 119.4 million. In financial account, receipts are K 63.1 million and expenditures are K 6.7 million, giving a surplus of K 56.4 million. Therefore the Development Committees and the Development Organizations are expected to borrow K 10.6 million from the bank.

4. The state-owned sector investment on cash basis amounts to K 7485.1 million: K 2258.2 million for Organs of State Power, Ministries and Departments; K 5107.5 million for State Economic Organizations, and K 119.4 million for Development Committees and Development Organizations. The major sectoral investments are K 1966.8 million in the industrial sector; K 1315.7 million in the transport and communications sector; K 1006.5 million in the electric power sector, and K 858 million in the agricultural sector.

5. I would like to present the situation concerning foreign exchange receipts and expenditures.

According to the foreign exchange receipts and ex-

penditures accounts of the State for 1987-88, the receipts total K 7522.1 million and expenditures total K 7566.3 million and there is a deficit of K 44.2 million. In the trade account, exports are estimated at K 3322.9 million and imports at K 4843.6 million. Of the K 4843.6 million worth of imports, K 3481.2 million will be met by foreign grants and loans and, K 1362.4 million by the State-owned foreign exchange.

6. The 1987-88 overall budget estimates for Organs of State Power, Ministries and Departments will be that, receipts will just cover expenditures and the net surplus will not be as much as the previous years. Prices of Burma's principal export items which are related to the global economic situation, decline sharply so that the State Economic Organizations, income will not be as high as they would otherwise be. In such circumstances, if Council of Ministers is endeavouring to attain export income as much as possible and making investments on priority basis. Furthermore, the domestic and foreign resources have been mobilized to achieve the best possible results in the formulation of the budget estimates.

7. I would like to continue to present the situation in the revised budget estimates for 1986-87.

(a) In the Organs of State Power, Mi-

nistries and Departments, a net surplus of K 75.6 million was originally estimated but it was revised to K 30.4 million. The causes for K 45.2 million decrease in the net surplus were — a decrease of K 144.6 million in the current account surplus, an increase of K 64.3 million in the capital accounts deficit and, an increase of K 163.7 million in the financial account surplus.

(b) In State Economic Organizations, bank borrowing was originally estimated at K 3257.3 million, but it was revised to K 3876.5 million. The increase in bank borrowing was due to a decrease of K 607.8 million in the current account surplus; an increase of K 43.9 million in the capital account deficit; and an increase of K 32.5 million in the financial account surplus.

(c) In the Development Committees and Development Organizations bank borrowing was originally estimated at K 21.3 million but it was revised to K 58.4 million. The increase in bank borrowing of K 37.1 million was due to an increase of K 5.7 million in the current account surplus; an increase of K 118.2 million in the capital account deficit; and an in-

crease of K 75.4 million in the financial account surplus.

8. I shall now present the revised estimates concerning foreign exchange.

In the 1986-87 foreign exchange budget estimates, the deficit was originally estimated at K 36.5 million. However, in the revised budget estimates, it became K 110.3 million. The reasons for increased deficit of K 73.8 million were an increase in deficit of K 175 million and K 220.4 million in the main account and the ways and means account respectively, as well as an increase in surplus of K 93 million and K 226.8 million in the grant, and the loan and repayment accounts respectively and a decrease of K 1.8 million deficit in the contribution/investment account.

9. In the 1986-87 revised estimates, the net surplus of the Organs of State Power, Ministries and Departments decreased and the bank borrowings of the State Economic Organizations increased, compared with the original estimates. The reason for the above were a decrease in revenue as well as the incomes of State Economic Organizations, caused by reduced earnings from exports and under-fulfilment of import targets. However, for long-term benefit of the State, expenditures have increased annually on education, health and social sectors.

The current and capital expenditures for these sectors have been increasing during the past

ten years. The combined current and capital expenditure for these sectors in 1976-77 was K 808.5 million and it rose to K 2,606.3 million in 1986-87 representing an average annual increase of 12.4 per cent.

10. According to the guidelines that the State Economic Organizations operate on commercial principles and Development Committees and Development Organizations operate on their own financial resources, budget estimates have been separately prepared for the Organs of State Power, Ministries and Departments; the State Economic Organizations; and Development Committees and Development Organizations since 1977-78. In accordance with the new financial arrangement, expenditures of the State Organs of Power, Ministries and Departments are met from funds obtained from revenues and current receipts and while State Economic Organizations and Development Committees and Development Organizations are to borrow from the bank if they require financing in addition to their incomes. Such bank loans have to be repaid when there is a surplus in earnings.

With regards to the State Economic Organizations as explained earlier in the Economic Plan, the agricultural sector is the basic foundation in the economic development of the State. In order to increase the production in the agricultural sector



according to the Economic Plan targets, the Agricultural Corporation has annually sold chemical fertilizers at prices much lower than costs. Although machinery parts and equipments which were imported at high prices were used in producing petroleum products, the petroleum products were distributed without raising prices. Similarly, the Inland Water Transport Corporation, the Burma Railways Corporation and the Burma Airways Corporation were also providing service without raising their fares for the convenience of the public. Imported chemical fertilizers cost K 1,756 per ton and locally-produced chemical fertilizers cost K 980 per ton, but they were distributed to the farmers at the price of K 360 per ton.

Because of these reasons, some organizations had profits and some incurred losses. The Council of Ministers would review and take necessary measures for organizations with large overhead costs or with short-comings in management. If losses are due to the production of goods with low demand, their production must be shifted to the production of other goods in great demand.

I would like to continue to submit matters to be reported in connection with the revised budget estimates for 1986-87. According to the section 3 (d) of the 1986 State Budget Law, I shall submit to the Pyithu Hluttaw members

cases of getting more than original estimates of foreign loans and grants and the expenditures related to them.

- (1) K 32.1 million equivalent to Y 712.5 million for the urban water supply project undertaken by the General Affairs Department, Ministry of Home & Religious Affairs, with the grant of the Japanese Government.
- (2) K 6.3 million equivalent to US dollars 0.9 million for the drug abuse control project undertaken by the People's Police Force, Ministry of Home & Religious Affairs, with the assistance of the United Nations.
- (3) K 12.4 million equivalent to Y 310 million for building the television retransmission stations in Kachin and Chin States undertaken by the Information and Broadcasting Department, Ministry of Information, with the general commodity loan.
- (4) K 31.9 million equivalent to DM 9.1 million for the radio broadcasting service (mechanical) extension project undertaken by the Information and Broadcasting Department, Ministry of Information, with the assistance of the Government of the Federal Republic of Germany.

- (5) K 38.1 million equivalent to Yen 846.5 million for the youth sports training centre construction project undertaken by the Sports and Physical Education Department, Ministry of Health, with the assistance of the Japanese Government.
- (6) K 0.4 million equivalent to US dollars 51,000 for the East Pegu Yoma forest plantation project undertaken by the Forest Department, Ministry of Agriculture & Forests, with the World Bank loan.
- (7) K 8.2 million equivalent to Yen 204.9 million for the purchase of equipment and machinery by the Geological Survey and Mineral Exploration Department, Ministry of Mines, with the general commodity loan.
- (8) K 1.3 million equivalent to US dollars 0.2 million for the Rangoon and environs development project undertaken by the Housing Department, Ministry of Construction, with the assistance of the United Nations Development Programme.
- (9) K 63.7 million equivalent to US dollars 7.5 million for the Rangoon-Prome Road

extension and repair project undertaken by the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction, with the Asian Development Bank loan.

- (10) K 29 million equivalent to US dollars 3.4 million for the construction work unit project undertaken by the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction, with the International Development Agency loan.

- (11) K 9.6 million equivalent to Swiss Franc 2.6 million for the constructing of bridges on Rangoon - Bassein Road project undertaken by the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction, with the aid given by the Government of Switzerland.

- (12) K 2.6 million equivalent to US dollars 0.4 million for the road research and development project undertaken by the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction, with the assistance of the United Nations Development Programme.

- (13) K 120 million equivalent to Yuan 39.7 million for the Rangoon-Syriam railcum - road bridge Construction Project undertaken by the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction, with the People's Republic of China loan.

- (14) K 4.6 million equivalent to Yen 102 million for the Rangoon International Airport extension project undertaken by the Department of Civil Aviation, Ministry of Transport & Communications, with the Japanese Overseas Economic Co-operation Fund loan.

- (15) K 0.7 million equivalent to US dollars 88,000 for the trade promotion and market development project undertaken by the Trade Department, Ministry of Trade, with the assistance of the United Nations Development Programme.

- (16) K 2.7 million equivalent to US dollars 0.4 million for the co-operative management and services work project undertaken by the Co-operative Department, Ministry of Co-operatives, with the assistance of the United Nations Development Programme.

- (17) K 3.9 million equivalent to US dollars 0.5 million for the skill development project for small-scale industry workers in the co-operative sector, undertaken by the Cottage Industries Department, Ministry of Co-operatives, with the assistance of the United Nations Development Programme.

- (18) K 3.3 million equivalent to US dollars 0.4 million for the edible oil processing and distribution project undertaken by the Cottage Industries Department, Ministry of Co-operatives, with the assistance of the United States Agency for International Development.

12. In connection with the 1986-87 revised budget estimates there is another matter to be reported, in accordance with Section 11 (c) of the 1986 State Budget Law of the K 100 million set aside as Reserve Fund, so far K77.7 million was spent. The details are as follows :

- (1) K 1.2 million for eradication of insurgents for the Relief and Resettlement Department, Social Welfare Ministry.

- (2) K 21.4 million for construction of the television retransmission stations in

Kachin and Chin States for the Information and Broadcasting Department, Ministry of Information.

(3) K 9.8 million for the radio broadcasting service (mechanical) extension project for the Information and Broadcasting Department, Ministry of Information.

(4) K 6.5 million for the youth sports training centre construction project, for the Sports and Physical Education Department, Ministry of Health.

(5) K 6.7 million for the man-power training centre, for the Labour Department, Ministry of Labour.

(6) K 4.9 million for construction of a zinc

concentrate pilot factory and mineral salt production station for the Department of Geological Survey and Mineral Exploration, Ministry of Mines.

(7) K 23.3 million for the Rangoon-Prose Road extension and repair project for the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction.

(8) K 2.3 million for the construction of bridges on the Rangoon-Bassein Road Project for the Buildings, Roads and Bridges Repair and Maintenance Branch, Ministry of Construction.

(9) K 1.6 million for the skill development project for small-scale

industry workers in the co-operative sector for the Cottage Industries Department, Ministry of Co-operatives.

13. I have presented important points and related matters of the 1987-88 State Budget. The following documents have been distributed to aid the Pyithu Hluttaw members in their discussions:

(one) The 1987 State Budget Bill

(two) Summary - tables showing the 1987-88 Budget Estimates (Book I)

14. I submit through the Chairman of the session for the Pyithu Hluttaw members to discuss them and afterwards for the Pyithu Hluttaw to pass the State Budget Bill of 1987.

NAB

#### Statement on 1987-88 Plan

Rangoon THE WORKING PEOPLE'S DAILY in English 10 Mar 87 pp 8-10

[Text]

RANGOON, 9 March—The following is a translation of the statement submitted to the fourth session of the Fourth Pyithu Hluttaw, on behalf of the Council of Ministers, by the Deputy Prime Minister and Minister for Planning & Finance in connection with the annual plan targets for 1987-88, second year of the Fifth Four-Year Plan of the Socialist Republic of the Union of Burma.

1. The annual plan targets for 1987-88, the second year of the Fifth Four-Year Plan, of the Socialist Republic of the Union of Burma, are hereby submitted on behalf of the Council of Ministers to this session of the Pyithu Hluttaw. As the annual plan targets for 1987-88 are to be implemented with effect from 1 April 1987 the "1987 Bill on Targets of Production and Services of the Economic Plan" is sub-

mitted to be approved and enacted by the Pyithu Hluttaw. Furthermore, the "Report to the Pyithu Hluttaw for 1987-88" is also submitted, for members of the Pyithu Hluttaw to study the financial, economic and social situation of the country.

2. In presenting the annual plan targets for 1987-88, an account on recent economic situation of the country and ex-

periences in plan formulation will be briefed initially. The First Four-Year Plan was formulated and implemented within the framework of the economic plan guidelines laid down by the First Party Congress of the Burma Socialist Programme Party. The First Four-Year Plan was initiated in 1971-72 and was implemented for the period of two and half years. During that period planning methods and techniques were primarily established and practices on plan co-ordination and implementation were experienced. With the provisioning of the Twenty-Year Plan Guideline by the Second Party Congress, the second four-year plan, the third four-year plan and the fourth four-year plan were consecutively formulated and implemented.

3. Although implementation of the Second Four-Year Plan, from 1974-75 to 1977-78, fell short of targets, experiences were gained in carrying out the plan. Based on these experiences, the Third Four-Year Plan, from 1978-79 to 1981-82 was successfully implemented. Hence, the level of Gross Domestic Product regained the targeted growth path of the Twenty Year Long-Term Plan. The Fourth Four-Year Plan period from 1982-83 to 1985-86, coincided with the intensified international economic, financial and fuel oil problems, creating trading and financial problems. External trade of the developing countries were much affected and

had large impact on the economies of the developing countries including Burma. Especially the fall in prices of primary commodities on the world market result in decline of export earnings and the rise in prices of imports adversely affected investments and domestic production.

4. The deterioration in the international economic situation since 1980, led the industrial countries to adopt protectionist measures for their own individual interest and raise the prices of their industrial products. Farm subsidies were also provided, rendering a fall in the prices of agricultural crops, and thereby penetrating the market of the traditional exporters. Moreover, they stockpiled major basic commodities, manipulating prices in their favour. These cause the developing countries to lose their traditional market and their regular trade are disrupted. Taking advantage of the situation, counter-trade practices are often used with the developing countries. The developing countries also had to resort to these counter-trade and barter trade practices in order to relieve their trade problems. The export earnings of the developing countries fell, giving rise to debt repayment difficulties. Burma is no exception and has to face such repercussions of international economic difficulties.

5. Although the export earnings had declined since the Fourth Four-Year

Plan period, Burma is servicing its external debt regularly. In 1986-87, repayment of debt is 48% of its foreign exchange earnings. Likewise other developing countries are facing the debt burden. Economists are forecasting that developing countries may continue to face such trade and financial difficulties. If such situation continues the developing countries, capacity to repay debts and to import industrial products will decline. Hence, international trade and financial problems may prolong a global economic stagnation.

6. At present period of economic difficulties it is necessary for Burma to strive and mobilise internal resources to enable to achieve plan targets. In order to minimize the effects of the global economic difficulties most effective and concerted efforts will have to be implemented.

7. Burma is endowed with the three essential basic elements in the position to fulfill the basic needs of food, clothing and shelter. In the field of agriculture, net sown area at present is around 120.5 million acres, and further, 25.2 million acres can be extended for cultivation from the present culturable waste land and fallow land. Rice production is not only sufficient for domestic consumption but there are surplus for export. Edible oil crops are being extensively cultivated to meet domestic consumption. Beans and



pulses, besides being sufficient for domestic consumption, much are being produced for export. Kitchen crops are widely cultivated to meet the requirements. As regards clothing, cotton is increasingly cultivated and other kinds of fibres are being supplemented for the production of textiles. More basic building materials, such as timber, bricks, tiles, cement, glass sheets, iron, bamboo and thatch are being produced for housing purposes. In the field of energy sector, available energy resources are frugally and systematically utilised, and, natural gas production will be increased to supplement fuel needs. If we can harness such as firewood, charcoal and coal, hydro and other sources of electric power we may be able to meet the maximum needs of requirements.

8. During the fourth four-year plan period, Burma had achieved an average annual growth rate of five percent according to the actual data. Such an achievement at the time of global economic difficulties was made able by striving to achieve the sectoral plan targets making effective use of various natural resources and proper mobilization of available productive forces.

9. Based on plan performance during the fourth four-year plan and the world economic situation, annual economic growth is targeted at 4.5 percent in the

fifth four-year plan. Now I shall present the implementation of the economic plan for 1986-87, the first year of the fifth four-year plan, the targets for which were being approved by the second session of the Fourth Pyithu Hluttaw. On implementation, the Gross Domestic Product rose by 3.7 percent, which is more than the population growth rate of two percent, thereby raising the per capita economic status.

10. To achieve the annual plan targets in 1986-87, detailed programmes and procedures were laid down and scheduled in accordance with the prevailing conditions. Burma's economy mainly depends on agriculture, livestock and fishery, forestry, mining, processing and manufacturing, trade and other sectors. For the development of these sectors, priorities are being set, and plan implementation are carried out through co-ordination and co-operation with those concerned. Emphasis is being made for the increase in the production of agricultural crops, and accordingly, for the balanced growth in the related sectors.

11. Priority of importance is given to 22 kinds of crops out of over 60 crops being cultivated in Burma. In addition to paddy, that is, the main crop, beans and pulses, oil crops and kitchen crops are being extensively cultivated not only for domestic consumption but also for export. The State is

incurring large amount of expenditures in supplying chemical fertilizers, quality seeds, pesticides, tractors, water pumps and other farm implements to boost the yield of the crops. Organizational and educative work is being carried out to encourage peasants to apply and use the modern and scientific agricultural methods more widely. Furthermore, research work is extensively being carried out and quality seeds being distributed for higher quality of crops. The State is also investing large amount of capital each year for construction of dams and embankments. Citing instances of the State expenditure to increase agricultural production, chemical fertilizers are being distributed at an extra expenditure of about K 360 million a year; agricultural research, extension and educative works are being carried out at an expense of about K 330 million a year. The State is also spending about K 560 million a year on construction of dams and embankments, water supply and flood prevention works. The Agricultural Mechanization Department is providing tractor services at an extra expenditure of K 76 million a year. Hence, adequate food supplies from production are achieved to meet domestic consumption and also for export. Such increase in agricultural production provides better income to the farmers and improve rural economic conditions.

12. Increase in livestock and fishery production is necessary for full nourishment of the people; livestock breeding and fishery programmes are being implemented in various regions. Fresh water fishery as well as off-shore and deep sea fishing activities are being expanded, while modern technology are being applied in fish culture. In livestock breeding, the State is incurring expenditures to promote extension of modern livestock farming and manageable scale livestock breeding. However, there still is a need in this sector to make further efforts in the State, co-operative and private sectors. Increase in export earnings is highly dependent on the performance of the forest sector and in this sector timber extraction is being expanded by both conventional means and modern techniques. Emphasis is also being placed on forest conservation and plantation to prevent depletion of forest resources. For raising mining output, exploration, extraction and up-grading of mineral refining are being expanded, with available financial resources. In the processing and manufacturing sector, supervision is being made for the completion of on-going projects according to schedule and to ensure normal production for the completed projects. To enable existing factories to run normal operations, efforts are being made to procure sufficient supplies of domestic raw materials, and also to procure imported raw materials according to financial

availability and set priorities. Increase in domestic supplies of raw materials and spares is resorted and is being supplemented by imported supplies financed through the general commodity loans.

13. In consonance with the Lanthan Party's economic strategy, efforts were being made to increase the share of productive sectors in the Gross Domestic Product. Measures are also being taken to improve services and trade sectors in line with increase in production. A study of State economic structure shows that in 1986-87, the share of productive sector is 53.1 per cent, services sector 26.5 per cent and trade sector 20.4 per cent of the Gross Domestic Product respectively.

14. In formulating and implementing plan targets, emphasis was placed on boosting the production, services and trade in State, and co-operative sectors. Support for the improvement of private sector's production and services were provided within the policy guidelines. In terms of ownership the share of the State sector is 38.9 percent, co-operative sector is 6.8 percent and that of private sector is 54.3 percent in 1986-87.

15. To be able to maintain the momentum of production and services, there is the need for availability of imported essential goods which mainly depends on increase in export earnings. Therefore, utmost efforts have been made to

increase exports. During 1986-87 efforts were made to increase the volume of exports of important items over the previous year. However, prices of export commodities which have been declining since the Fourth Four-Year Plan period, continued to fall. Hence export income fell short of the target. During the five-year period from 1981-82, the base year of the Fourth Four-Year Plan, to 1986-87, the prices in US dollar of some of Burma's export items have been declining, as shown below:-

- Rice
  - from 321 to 142 US dollars per metric ton
- Broken rice
  - from 192 to 75 US dollars per metric ton
- Beans and pulses
  - from 306 to 300 US dollars per metric ton
- Maize
  - from 122 to 79 US dollars per metric ton
- Refined lead
  - from 720 to 431 US dollars per metric ton
- Tungsten Concentrates
  - from 7155 to 2760 US dollars per metric ton
- Tin/Tungsten/Shorlite mixed
  - from 7202 to 1477 US dollars per metric ton

16. While Burma's export prices were declining, prices of imports were rising. In particular, the current import prices of capital goods have been rising four to twelve fold, compared with prices 10 to 20 years ago. Burma,

therefore has been beset with trade imbalances and recurrent deficits in external trade.

17. I would now like to present the plan targets for 1987-88, the second year of the Fifth Four-Year Plan. The plan targets for 1987-88 have been formulated within the framework of the Fifth Four-Year Plan, under the leadership of the Lanza Party after reciprocal co-ordination from the basic level to the central level. The States, Divisions and townships levels have taken into account the prevailing local and climatic conditions and availability of the productive forces. The targets co-ordinated regionally by People's Councils were finally co-ordinated at the central level. Plan targets were set in accordance with the prevailing internal and external economic situations and sectoral and operational consistencies are being reviewed and co-ordinated.

18. The main targets of the 1987-88 annual plan are:

- (One) The Gross Domestic Product is to increase by 5 per cent
- (Two) Growth of the major productive sectors are 5.4 per cent in the agriculture sector, 5.8 per cent in the livestock and fishery sector, 5 per cent in the forestry sector, 0.8 per cent in the mining sector, and 11 per cent in the processing

- and manufacturing sector
- (Three) Exports are targeted at K 3322.9 million
- (Four) Per capita net output is to increase by 2.9 percent
- (Five) Per capita income is to increase by 2.3 percent
- (Six) Per capita consumption is to increase by 1.6 percent.

19. According to the 1987-88 plan target, the Gross Domestic Product is to increase by 5 per cent. To realise this, it is necessary to achieve targets in production of major productive sectors and in exports. I would like to mention here, should the world economic situation deteriorate further, weakening Burma's export market and affecting export prices, an alternative plan has been drawn up in order to safeguard the welfare of the people to the possible extent. In such a situation, it is imperative to expedite mobilization of productive forces in the economy and to adopt austerity measures.

20. In tackling the global economic difficulties, solutions can be found only through concerted efforts of the majority countries. At a time like this, Burma must strive to mobilize all available productive forces and to keep regular flow in production of goods and services and fulfilling the food, clothing and shelter needs of the people. In doing so, it is necessary to stabilize commodity prices and control the rate

of inflation. It is vitally important for the entire working people to endeavour unitedly to work towards the development of the country's economy, under the guidance of the Burma Socialist Programme Party and with the supervision of People's Councils at different levels. At a time like this, the entire nation must make all-out united endeavours to overcome economic difficulties encountered by the country.

21. The important points concerning the annual plan targets of 1987-88, the second year of the Fifth Four-Year Plan, have been explained. In conclusion, I would like to submit to the Pyithu Hluttaw through the Chairman the following points for the successful implementation of the 1987-88 annual plan targets :-

- (One) — To approve the annual plan targets of 1987-88, the second year of the Fifth Four-Year Plan.
- (Two) — To pass the 1987 Bill on Targets of Production of Goods and Services, and
- (Three) — To place on record the Report to the Pyithu Hluttaw on Financial, Economic and Social Conditions of the Socialist Republic of the Union of Burma for 1987-88. NAB

## INDONESIA

### SUDHARMONO ON VOTING DISTRICT SYSTEM

Jakarta SUARA PEMBARUAN in Indonesian 26 Feb 87 pp 1, 12

[Text] Bandung, 26 February--Functional Group [GOLKAR] General Chairman Sudharmono, SH [Master of Laws], said that GOLKAR and ABRI actually have supported use of a district system for general elections in Indonesia since 1966. Furthermore, GOLKAR is still studying the strengths and weaknesses of the district system as opposed to the proportional system in use since the 1971 elections.

"In fact, GOLKAR is ready if the time should come when a district system is put into effect," Sudharmono told about 2000 members of the Padjadjaran University (UNPAD) academic family at the university auditorium on Wednesday night, 25 February.

Sudharmono's statements came in response to a proposal from a senior lecturer at the UNPAD Law Faculty that a restudy be made of the proportional system that has been used in elections up to now. According to the lecturer, political conditions at the time of the 1971 elections were very different from those that prevail now and were even more different from those that will exist in the future.

#### Election Law

Although GOLKAR has made preparation for the district system, it does not urge immediate implementation. GOLKAR still wants to continue putting the current election law into practice.

Although a district system is not in use, he said, there are, in fact, provisions for compromise in the election law. One reason for not putting a district system into effect in Indonesia is fairness from the regional population viewpoint. Most of the Indonesian population (60 percent) is in Java, and the number of regencies in Java is almost the same as the number outside Java. Moreover, it will not be easy to define criteria for establishing districts. Will they coincide with administrative regencies, or will there be some other method of establishing them?

According to Sudharmono, a political party that is strong only in Java clearly will not choose or promote a district system. An idealistic reason for not



using a district system is that Indonesia is a unitary state. It is to be feared that DPR [Parliament] members and candidates would know about and promote only their own regions and would give little attention to national interests. That would be certain to produce crises in affairs of state and of the nation.

"Elections have gone well under the current proportional system, and I think we should not insist on changing to a district system. Nevertheless, if all parties are prepared to make the change, we will have no objection to conforming," said Sudharmono further.

Speaking as minister of state and state secretary, Sudharmono expounded in detail for 3 hours on "The General Elections As a Mechanism for Implementing Pancasila Democracy."

6942

CSO: 4213/68

NU CHIEF DENIES NU-PPP CONFLICT

Jakarta HARIAN UMUM AB in Indonesian 26 Feb 87 p 8

[Text] Jakarta, AB—Dr Abdurahman Wahid, general chairman of the Nahdatul Ulama (NU) Executive Council [PB] declared there is actually no conflict between NU and Development Unity Party [PPP] leaders.

"Any appearance of conflict occurred because NU leaders wished to correct statements made by PPP figures to the effect that the NU still has an affiliation with the party," Abdurahman Wahid told ANTARA at the NU PB office in Jakarta on Wednesday [25 February].

"Of course, we denied those statements made by PPP figures," he added.

Apart from that matter, he said, there is no issue between NU and PPP leaders.

Abdurahman Wahid reiterated that NU members are free to vote and are not obligated to vote for a specific contestant in the forthcoming general elections. If there are many NU members in various places who are joining GOLKAR, that is their prerogative.

"The political aspect of the lives of NU members is the business of the members themselves and is no longer an NU PB matter," he said.

No Influence

Abdurahman Wahid said statements by PPP figures to the effect that the NU is still affiliated with the PPP will have no influence on NU members.

They now have their own choices and aspirations. Nevertheless, there is possibly some leaning toward the PDI because that party has urged its members in Central Java to join the NU.

It is a characteristic of the NU that when someone is good to the NU the NU will be good to them, he explained.

Abdurahman Wahid was not able to say how many headquarters and regional leaders of the NU had been put on inactive status because of nomination to the DPR [Parliament] or DPRD's [regional legislatures].

He was confident, however, that there are very few. There are about three or four people from the PB, and the only regions where there are more than one are South Kalimantan and Central Java.

## INDONESIA

### NU OFFICERS SEEKING PUBLIC OFFICE DECLARED INACTIVE

Jakarta MERDEKA in Indonesian 27 Feb 87 p 1

[Text] Surabaya, Thursday [26 February], MERDEKA--The Nahdatul Ulama (NU) regional board of directors for East Java on Friday (27 February) will issue a directive declaring 97 NU directors at various levels to be temporarily inactive by reason of their having been nominated by the three political organizations to run for office in the forthcoming general elections.

Similarly, the Tebu Ireng Islamic Boarding School at Jombang, finally released KH [Muslim Scholar and Pilgrim] Syansuri Badawi, 68, from all organizational responsibility, because he chose to accept his inclusion as the No 1 candidate on the list of nominees of the Development Unity Party [PPP] to represent East Java in the DPR [Parliament]. He had served at the school for 36 years

A MERDEKA source at the school said today that KH Syansuri Badawi's release was retroactive to the beginning of February, in compliance with a circular issued by the Tebu Ireng School on 25 September 1986. The action was for the purpose of protecting the neutrality of the school from involvement in political organizations participating in the elections.

KH Syansuri Badawi served at Tebu Ireng as deputy director, instructor at the Aliyah Islamic School (equivalent to SMTA [high school]), and instructor in religious literature. With his release from those positions, the prominent school personality, who is now becoming so well known, is for all practical purposes presenting himself as a PPP politician and no longer as a director and scholar at the Islamic school that founded the NU.

Another source said the process is now underway for the release of Syansuri Badawi from his post at Hasjim As'ari University.

"If he has relinquished all of his positions at Tebu Ireng, that means he is now outside the school and is no longer a Tebu Ireng member," he declared.

The release of the deputy director of the Tebu Ireng School has no effect at all on educational activities or religious studies at the school, for there were three deputy directors, including Syansuri Badawi.

The precedence of directors at Tebu Ireng was Jusuf Hasjim (head of the school), then KH Mahfud Anwar, KH Syansuri Badawi, and KH Jusuf Mashar.

"If KH Syansuri Badawi is no longer at the school or has been released, his replacement is the next person in order, thus ensuring there will be no problem," he added.

In a meeting with Tebu Ireng alumni in Jakarta some time ago, according to the source, KH Syansuri Badawi said he accepted his termination but that his termination, or release, need not be by written directive. It sufficed for him to be regarded as released based on the school's circular of 25 September 1986.

#### Appropriate

Nuddin Lubis, deputy chairman of the DPR/MPR [People's Consultative Congress], said it was appropriate for KH Syansuri Badawi to be terminated by the Tebu Ireng Islamic Boarding School.

Nuddin Lubis, who was interviewed today at Bina Graha following his call on President Soeharto to report on his visit to Turkey, said he had heard of Syansuri Badawi's termination 2 days ago.

Nuddin deeply regretted KH Syansuri's departure from Tebu Ireng but said, "There is nothing we can do about it."

Nuddin called the termination appropriate in view of the fact that the Tebu Ireng School had wanted KH Syansuri to teach full time.

"KH Syansuri Badawi has been a good worker and has been at Tebu Ireng for quite a long time," he added.

Nuddin Lubis stated that, although he himself would no longer have a seat in the DPR/MPR, he would continue to be active in the NU organization.

6942

CSO: 4213/68



## INDONESIA

### REVIVAL OF STUDENT ORGANIZATIONS SUGGESTED

Jakarta KOMPAS in Indonesian 27 Feb 87 p 1

[Excerpt] Jakarta, KOMPAS—It is time for college student organizations to be re-established. The steps taken in 1964 to declare student organizations inactive are now deemed to have been adequately effective. Students need to learn to speak in front of others in the context of their academic experience. That type of learning is very important to a student.

Furthermore, because of Campus Life Normalization (NKK), students today lack experience in community life. As a result of the Semester Credit System (SKS) especially, the activities of student organizations became completely ineffectual.

"As far as I am concerned, the period from 1964 to 1987 has been enough. Now is the time to reactivate student organizations so that students can learn to speak. Students shouldn't be silent, because silence stinks!" declared Prof Dr Mukti Ali, Rector of Sunan Kalijaga IAIN [State Islamic Institute], Yogyakarta, on Friday [27 February] in Jakarta.

He expressed his views in the Seminar on Culture organized by the Literature Faculty for the 38th Anniversary Celebration of the UI [University of Indonesia]. The seminar was held from 24 to 26 February.

Without specifying which student organizations he was referring to, Mukti Ali, who was minister of religion from 1971 to 1978, said that there may still be a fear that students will take part in politics. The trauma of such activity has not completely disappeared with the passage of time.

"Political activity is the management of ourselves. If we don't take part in politics, someone else will manage us. If there is still anxiety, don't give the right to politics immediately, but give 'conditioning' first to allay that anxiety. Dynamics are the mark of culture. If there are no dynamics, there is only death," he asserted.

6942

CSO: 4213/68

## INDONESIA

### BRIEFS

NU MEMBERS JOIN GOLKAR--Jember, Friday [28 February], MERDEKA--Four thousand member scholars of the NU [Nahdatul Ulama] in Balung, Jember, have joined GOLKAR, according to a statement read by Muslim Scholar Busri Sutamar to Jember Regent Suryadi Setiawan, chairman of the GOLKAR Advisory Board for the Jember Regency, East Java, last week at the Village Hall, Dempok Subvillage, Wuluhan Subdistrict. Suryadi then made a symbolic presentation of a GOLKAR membership card to the scholars. Suryadi also presented financial assistance in the amount of 250,000 rupiahs each to the "Salafiah Syafi'iah" Islamic Boarding School, Curah Lele Village, Balung Subdistrict, and the "Darul Muta 'Allimin" Islamic Boarding School, Keselir Village, Wuluhan Subdistrict. In his remarks, Suryadi asked the scholars to work together to make the forthcoming general elections a success and to keep on improving unity in order that the Indonesian nation may remain intact. [Text] [Jakarta MERDEKA in Indonesian 28 Feb 87 p 7] 6942

CSO: 4213/68

## BRIEFS

AID FROM BURMA--The Lao PDR received here yesterday an aid worth more than 4,000 US dollars from the Socialist Republic of the Union of Burma. The aid consisted of five sowing machines and one water pump. Consignments of aid consisted of rice, salt and a number of water pumps were earlier presented to the Lao PDR as aid from the SRUB. Conducting the hand-over ceremony were on the Lao side Khamsing Sayakone, Deputy-Minister of Agriculture, Forestry, Irrigation and Cooperatives, and on the Burmese side, U Win Aung, Charge d'Affaires a.i. of Burma to Laos. [Text] [Vientiane KPL NEWS BULLETIN in English 26 Feb 87 p 2] /9317

CSO: 4200/482

MCA OFFICIALS COMMENT ON PARTY'S ROLE

Organization Secretary's Comment

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 12 Jan 87 p 5

[Text] Wang Choon Wing, MCA's organizing secretary, stressed today that in a multiracial society, the problems facing Chinese nationals are legion and no political party can fully satisfy their entire political aspirations.

He said: Thanks to MCA's existence and efforts, many political desires of some extremist elements within the United Malays National Organization [UMNO] have been thwarted. However, the Chinese in general do not seem to appreciate our party's accomplishments, because they have not been satisfied with many things.

"At the present moment our problem is whether we need some external factors and pressures in order to compel us to be united or we should take the initiative ourselves to seek a peaceful livelihood and lifestyle for our future."

Mr Wang was speaking at a "Leadership Training Course" organized by the MCA Federal Territory Committee on the subject of the "National Front's Formation and Changes." He said that MCA's records in past parliamentary elections have been full of ups and downs like waves. This pattern indicates the contradictions of Chinese nationals: on the one hand, they want political stability, yet they are dissatisfied with the status quo.

Mr Wang said that generally speaking the Chinese make relatively high demands on MCA and their love-hate feelings are apparently intense. Whenever they are faced with a certain problem, they vent their spleen on the MCA and look to the party to have the problem solved for them. The Democratic Action Party faces the same situation.

He believes that viewed from the political situation as a whole, MCA even today is still playing a positive role in our multiracial society. In certain respects, this party still has its weak points, but its leadership is determined to take innovative measures by guiding and helping those lagging behind, cultivating and absorbing more outstanding talents, and enhancing further the efficiency of the party.



He said: "At present some people have brought up the controversy between 'multiracial political parties' and 'uniracial political parties.' This is merely a controversy of style, because the contents and objectives of the dispute are essentially the same, that is to say, all parties concerned want to fight for a policy which provides equal treatment to all nationalities. All political parties, whether in power or in opposition, as well as individual public figures, believe in the parliamentary democratic system and struggle for the realization of an equal policy toward all nationalities.

"Viewing the whole political structure, the existence of MCA is playing a certain role. As for its style of struggle, it can be studied objectively and put into practice in a flexible manner. But we cannot detach ourselves from our objective of racial equality."

Moreover, Mr Wang indicated that judging by the entire situation, the National Front definitely is the only political party which can govern the country for a long time to come without any danger of crumbling. It is the only coalition government that can stabilize our multiracial country.

He said that under such a political situation, an opposition party like the Democratic Action Party considers itself to have reached its peak after winning four seats in Parliament, but this victory means nothing in terms of national politics.

Mr Wang pointed out that from MCA's standpoint, the political structure of the National Front today has, to a certain degree, weakened the tripartite Malay-Chinese-Indian relationship of the Alliance of the old days.

He said that racial discrimination incidents which have taken place in the past few months after the 1986 general elections seem to indicate that certain extremist-minded Malay leaders are no longer respecting the role of MCA as a political party representing the Chinese people. On the other hand, UMNO appears to be on guard against the Chinese after certain Chinese organizations openly supported the Islamic Party in the latest general elections; now UMNO is paying more attention to its own Malay group for political support, while consolidating and strengthening its political strength in East Malaysia.

#### Lee Kim Sai's Comment

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 14 Jan 87 p 22

[Excerpts] MCA Deputy President Datuk Lee Kim Sai firmly believes that his party is able to continue playing the role of representing the rights and interests of the Chinese people within the coalition government.

He made this remark to reporters after an MCA presidential council meeting today.

Datuk Lee said: "As a uniracial party representing the Chinese, MCA will continue to play its role in a multiracial government structure."

He firmly believes that MCA's political structure can still fit in nicely with the nation's pluralistic society.

He pointed out that the political fact in this country is whenever problems arise affecting the interests of the Chinese, such as the question of immigrants and the responsibility to solve the cooperative society's crisis, the public invariably look to MCA for resolution.

Datuk Lee said that his party would not raise an objection to certain National Front member parties' idea of forming an alliance or grouping among themselves, as long as their move does not run counter to the basic goal of national unity and to the promotion of interracial cooperation.

He said that the MCA council meeting today also discussed the questions of mass greetings during the Chinese New Year and party election this year.

9300/12624

CSO: 4205/11

MCA YOUTH LEADER, DEPUTY MINISTER ARRESTED

4 Persons Arrested

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 18 Feb 87 p 1

[Text] Datuk Kee Yong Wee, leader of MCA Youth Wing, and Wang Choon Wing, deputy minister of culture, youth and sports, and concurrently MCA's organizing secretary, were both arrested today.

Also rounded up at the same time were Yeoh Yuen Chong, deputy chairman of the Malaysian Youth Economic Development Cooperative [KOMUDA] and Koh Kim Swee, MCA's honorary secretary. All four persons carried a bail of M\$2 million each.

The arrest was confirmed today by Datuk Yahaya Yeap Ishak, chief inspector of the National Police Criminal Investigation Office.

Datuk Yahaya added that the four suspects will be brought to court at (Duraruti) tomorrow.

Charged With Breach of Trust

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 19 Feb 87 p 1

[Text] Datuk Kee Yong Wee, board chairman of the KOMUDA, Wang Choon Wing, honorary treasurer, and two other board members, were brought before the court in Kuala Lumpur today on charges of breach of trust involving an amount of M\$3.3 million.

The four accused denied the charges. Datuk Sulaiman Hashim, judge of the high courts, decided to open the trial on the 27th of this month.

Wang Choon Wing is concurrently deputy minister of culture, youth and sports and MCA's organizing secretary, 47 years of age. He has been accused of a breach of trust involving M\$1.9 million.

Datuk Kee Yong Wee, 50, is leader of the Youth Wing of the Malaysian Chinese Association [MCA]. He and Yeoh Yuen Chong, 63, KOMUDA's deputy chairman, have been accused of a breach of trust involving M\$3.3 million in total.

Koh Kim Swee, 41, honorary secretary of the KOMUDA and concurrently president of the Malaysian Youth Movement, has been charged with one count of breach of trust and another count of abetting the breach.

After hearing the arguments of the prosecutor and the defense, the judge decided to release the four accused on the following bail: M\$1 million for Wang Choon Wing, and M\$1.5 million each for the other three.

#### Kee Yong Wee, Wang Choon Wing on Leave

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 19 Feb 87 p 1

[Text] Datuk Ling Liong Sik, president of the Malaysian Chinese Association [MCA], today indicated that pending the court settlement of their cases, both MCA Organizing Secretary Wang Choon Wing and Youth Wing Leader Datuk Kee Yong Wee have agreed to take temporary leave from the party and to stop handling the party's affairs.

Datuk Ling stressed that pending the court decision on Wang Choon Wing's case, the latter remains as deputy minister of culture, youth and sports.

Datuk Ling made these remarks after meeting with Wang and Kee, according to his public statement released today.

In it he stressed that every person is presumed innocent until he is found guilty by the court. Everything is to be decided according to due process of the law, he asserted.

#### Lee Kim Sai To Replace Wang Temporarily

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 23 Feb 87 p 3

[Text] MCA's Board of Directors today decided that for the duration of Wang Choon Wing's leave of absence, his post of MCA organizing secretary will be filled by MCA Deputy President Datuk Lee Kim Sai.

The decision was made public in a terse statement issued by the secretariat following a 2-hour-long meeting chaired by Datuk Ling Liong Sik.

In reply to reporters' questions, Datuk Lee Kim Sai said that the additional duties will not bother him and that he will call for a meeting of all MCA organizing secretaries nationwide to study and analyze the court case effect on the party's reputation and future.

Datuk Ling Liong Sik said that Wang Choon Wing has agreed to take a temporary leave of absence as deputy minister of culture, youth and sports.

#### Wang Urged To Resign From Cabinet

Selangor SIN CHEW JIT POH MALAYSIA (Supplement) in Chinese 23 Feb 87 p 2

[Text] Tan Kock Kiat, a state assemblyman representing the Democratic Action Party [DAP], urged Prime Minister Dr Mahathir to dismiss all public functionaries who are arrested by police and brought to court for trial, until the cases have been settled by the court.



Mr Tan said that this procedure is in line with the customary practice of the government in dealing with indicted officials.

He added that Wang Choon Wing, deputy minister of culture, youth and sports representing the MCA, is a high-ranking government official, and therefore must be treated as any other official without exception. This despite the remark by MCA President Datuk Ling Liong Sik to the effect that Wang Choon Wing is on temporary leave and that he still retains his post as deputy minister.

In Mr Tan's view, the decision by the MCA and its president on the case of Wang Choon Wing is erroneous, totally in violation of responsibility and morality.

Mr Tan persuaded Wang to leave his cabinet post voluntarily in order not to waste taxpayers' money.

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## MCA CHIEF VOWS TO REBUILD PARTY

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 27 Feb 87 p 3

[Excerpts] Speaking on occasion of the 38th founding anniversary of the Malaysian Chinese Association [MCA], President Datuk Dr Ling Liong Sik said that his party has gone through many trials and tribulations. During the period of Emergency Law, the party safeguarded ethnic Chinese society and its role and effort in wresting the interests of the Chinese are recognized by one and all. There is no doubt that the MCA has made contributions toward national peace and tranquility as well as economic growth. He paid respect to the founders and elder leaders of the party for their merits and achievements.

President Datuk Ling continued: "Today, as our party is facing difficult times, people tend to lose the will to fight on and to feel disappointed. However, the MCA will never veer away from its political course, in spite of pressure from various sides. Our party will not abandon its time-tested political conviction.

"On occasion of our 38th founding anniversary, we should again rise with force and spirit to safeguard our party's objectives and principles. We must rejuvenate ourselves and cope with future challenges in a new spirit and with new vision and understanding. Now is the time to consolidate our party's unity and to cultivate our party's vitality to enable us to face all challenges and contingencies. Nurturing our party's vitality is the most important task for the present year, which will become the main theme of our party for the year of 1987. We must make our party strong and healthy again and turn it into a viable political force to be seriously reckoned with and trusted by the public.

"We continue to adhere to our party's ideals of fighting for justice and equal treatment in the interests of the entire Malaysian people. This has been and still is the main objective of our party's political struggle.

"While reviewing our past records and accomplishments, we must not forget to look toward the future. We need new concepts, new thinking, we must inject new blood into our party, but not remain stagnant. As a meaningful political organization, we must keep in touch with the country and the people, contribute new ideas and new strategies in order to deal with the changing of the times and with new challenges.

"As I once remarked, the quality of a good or bad leader in Malaysian society must be measured by his ability in creating a peaceful and harmonious atmosphere across the land, and not by the degree of conflicts, disturbances and dissensions he foments. I also once said that in a multiracial environment, confrontational politics is bound to cause dissension. We must offer trust to all nationalities in all walks of life so that they believe that all their problems can be collectively resolved fairly and amicably. Construction is more difficult than destruction, especially in our multiracial, multireligious country.

"As we celebrate our party anniversary, I appeal to all members to keep calm, stand firmly on your feet and refrain from feeling downhearted by the recent incidents. Most recently, we have been under heavy pressure, but we remain united and we continue to consolidate our party's strength, play our vital role to the hilt to cope with the challenges and pressures and to serve our country and people," MCA President Datuk Ling Liong Sik concluded.

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MCA TO PROTECT INTERESTS OF DEPOSITORS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 10 Jan 87 p 1

[Text] Datuk Ling Liong Sik, president of the Malaysian Chinese Association [MCA], stressed that his party will not give protection to public figures, not even party leaders, who are involved in the cooperative society scandal.

He made this remark after an MCA Central Committee emergency meeting which lasted 3 hours and 20 minutes today.

Datuk Ling indicated that he appreciates the wishes of cooperative society depositors to recover their money in full and that his party will never shirk its political responsibility of protecting the interests of depositors.

Confirming our paper's report the other day, he guaranteed and expressed confidence that all depositors will get a portion of their money back before the Lunar New Year.

He said that the takeover of the cooperative society, which cannot clear up the situation, should win the understanding of all quarters by first returning some of the depositors' money before the New Year and then by speedily seeking a solution to the affair.

NCA Deputy President Datuk Lee Kim Sai, in reply to a reporter's question, said that his party realizes that the depositors are the innocent victims. He stressed that MCA is confident of wresting the basic interests of the depositors, because the money represents their life savings.

Datuk Lee pointed out that based on his party's principles, he has solved the problems in several cooperative societies, but in some other such societies the problems are more complicated, thereby requiring a longer time to be solved.

At today's Central Committee meeting, it was resolved to give NCA President Datuk Ling full powers to deal with the cooperative society issue after hearing his report on the progress of negotiations.

In addition, participants in the meeting expressed their views one after the other to the effect that if the cooperative society issue could not be satisfactorily resolved, it would be necessary to review MCA's future and its position within the National Front.



## FUTURE OF MULTI-PURPOSE HOLDING BERHAD VIEWED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 18 Feb 87 p 19

[Editorial: "The Road Ahead of MPHB Is Far From Smooth"]

[Text] On the 13th of this month, the Board of Directors of the Multi-Purpose Holding Berhad [MPHB] was reorganized, with sugar king Robert Kwok Hock Nien elected board chairman, Aw Bok Kim elected executive officer, and estate entrepreneur Lee Loy Seng as board member. Datuk Lee San Choon, Datuk Oon Seng Li and Datuk Chu Cheng Hua relinquished their posts on the board.

While the MPHB Board of Directors is faced with difficulties and the Malaysian Chinese Association [MCA] is also undergoing a reshuffle, the public naturally can appreciate that there must be some economic factors and political interests involved. Therefore the reorganization of MPHB Board of Directors is not so much to save the company, but rather to rescue the political party.

The MPHB held a shareholders' meeting on 30 June 1986 which, to a certain degree, revealed its own drawbacks and defects. For instance, in its navigation business, the company lost M\$150 million, including the M\$23 million loaned to Tan Koon Swan without any collateral.

In the storm affecting cooperative societies last year, MPHB's cooperatives and many, many others failed to handle properly depositors' money. As both MPHB and MCA were closely interrelated, they were not able to resolve the difficulties singly or jointly.

Under such circumstances, the MPHB faced the danger of a takeover. If the crisis cannot be averted, bad luck is bound to befall the MPHB, and with it MCA's reputation in the eyes of Chinese society will go down the drain.

Viewed from this angle, the election of Robert Kwok Hock Nien and Tan Sri Lee Loy Seng to the MPHB leadership has played an important decisive role in stabilizing the MPHB formation and boosting the trust of the shareholders. The day following their election, the MCA announced its full support to the new MPHB board, adding that it will not interfere with the business management of the company.

In the past, the MPHB, as a commercial organization, had no political background and was founded for the professed purpose of developing and consolidating the nation's economy. That is why in canvassing for shares subscription, it won the backing of Chinese elements from all walks of life, to the tune of more than M\$750 million paid-up capital.

Today, however, the MPHB is riddled with all ills, and it looks like it will part company with the MCA. Whether the active participation of Robert Kwok and Tan Sri Lee in the MPHB can prevent this separation remains to be seen, although it will not be an easy job. These two leaders are not supernatural beings, just successful businessmen. Whether the MPHB can profit as a commercial endeavor depends on the guidance of the new Board of Directors, whether it can absorb more talented lieutenants. It can be safely predicted that the MPHB will face a serious test and that its road ahead is far from smooth.

As the new Board of Directors remarked yesterday, the MPHB is facing grave difficulties, particularly the problem of capital turnover of the company and its affiliates. The board will try its best to solve these problems so the company can regain some profit. However, in the present situation, this cannot be realized in one day.

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## PAPER STRESSES NEED FOR ECONOMIC IMPROVEMENT

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 1 Jan 87 p 23

[Editorial: "New Year's Most Important Task"]

[Text] In 1986 our country was faced with an unprecedentedly grim economic situation. Consequently, the government and the public, without prior consultation, took the same view that improving the economy be regarded as our country's most important task for this year. Datuk Ling Liong Sik, president of the Malaysian Chinese Association [MCA], asserted that "during fiscal year 1987, promoting the recovery of our economy should be made the urgent mission of the entire people." Le Lam Thye, deputy secretary general of the Democratic Action Party [DAP], also held that with the advent of the new year, the government "should first of all take measures to guarantee the recovery of the nation's economy." On the other hand, Lim Keng Yaik, president of the Malaysian Peoples Movement [GERAKAN], appealed to the people to banish racism and religious fanaticism as Malaysians, join hands in a common effort to revive the economy.

There is no doubt that one of the main causes for our economic slump has been the general drop in the price of our primary products. As raw materials still represent 24 percent of our gross national product, and due to their sluggish demand in international markets, their price drop has naturally dealt a big blow to our economy. Judging by the current trend of economic development, it is apparently no longer possible for developing countries to rely on the export of their primary products as the principal means of maintaining their economic growth and earning foreign exchange. Therefore, it is most encouraging that the government is trying, in various ways and means, to carry out plans whereby more and more domestic industries will make good use of local primary products. Associate Professor Tan Teck Hong of the Economic College of the University of Malaysia aptly said that Malaysia must adjust itself to the world environment, because the world will not adjust itself to suit our needs.

Of course, in order to revive our economy, the government and the people must be dedicated heart and soul to the same cause, thereby creating a favorable atmosphere for investment. On this score, the government shoulders greater responsibility, because it is the people in power who are most qualified to mobilize the nation to work in full cooperation and with unity of purpose in the economic realm toward the opening of a new situation.

There are two ways to build up a favorable atmosphere for investment--actively and passively. On the passive side, everybody in the government or among the people should avoid making public statements which tend to incite ill feelings or arouse racism among various nationalities. As Tan Sri Wee Boon Ping, president of the Malaysian Chinese Merchants Federation, remarked, "It is likely that such public statements will directly destroy the confidence of foreign investors in our country and cut off hope of economic recovery of our country."

Judging by the experience of developing countries, the most positive way to attract long-term foreign investment is for the recipient countries concerned to listen attentively to the views of the investors, relentlessly improve the conditions of their own countries, and grant the investors greater facilities and privileges. It should be said that our government has made a special effort along this line, as proved by the adjustment made in economic and investment strategy last year. However, the public is still awaiting the government's plan for a liberalization of the nation's economy.

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## EDITORIAL ON FORMULATION OF NEW ECONOMIC POLICY

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 24 Feb 87 p 19

[Editorial: "Carefully Draw Up National Economic Policy"]

[Text] The deputy prime minister, Gafar Baba, disclosed that the government has set up a 15-member commission under his chairmanship which is charged with drawing up another economic policy to be put into effect after the close of the current National Economic Policy in 1990.

He indicated that although the general outline of the economic policy concerned is not yet listed, basically it will stress fair distribution.

Among the 15 members of the commission, 5 are cabinet ministers, 5 are noted businessmen and the remaining 5 are officials from the economic planning section.

No doubt it is a representative formation. However, the spheres to be covered in a national economic policy are extremely broad and since ours is a multi-racial nation, it is essential that before formulating a new economic policy, the commission should heed the varied opinions of the public and treat them seriously and objectively. As the saying goes, "listen to both sides and you will be enlightened."

Since the NEP was put into practice in coordination with the Second Malaysia Plan in 1971, many new laws, regulations and administrative measures have been adopted one after the other, mainly for the purpose of restructuring society as targeted by the government by providing as much commercial and industrial aid and opportunities as possible to the bumiputras, especially in fields where the natives had not been adequately represented.

Basically speaking, the non-bumiputra commercial and industrial circles in our country, especially the Chinese, can accept the lofty objectives of the NEP to eradicate poverty and restructure society, irrespective of race. What the non-bumiputras have been concerned about is that in implementing the NEP, many deviations and irregularities have cropped up, as reflected in certain laws and regulations. The result is that business expansion and aspirations of the non-bumiputras, to a certain degree, have been badly affected. This runs counter to the intentions of the NEP which aims at equal assistance to all nationalities. This is precisely the main reason why all these years the ethnic Chinese business circles have relentlessly appealed to the government to rectify the irregularities.

In all fairness, it is understandable that in a multiracial society, due to historical factors, an unbalanced phenomenon should emerge concerning the economic development of various nationalities. In a transition period, it is also understandable that the government should render the necessary assistance to certain groups who are weak economically.

The problem is that excessive help and assistance is not only unfair to other nationalities, but also can cause another type of unbalanced phenomenon, which of course is not conducive to the promotion of economic development and national unity. The goal and purpose of the NEP is to eradicate poverty across the board and strengthen national unity above all else.

In bringing up this opinion of ours, we hope that those responsible for the formulation of a new economic policy would objectively analyze all comments and feelings among the bumiputras and non-bumiputras toward the NEP in the past 15 years and the impact on foreign investors. Then sum up and compare the positive and negative sides of our experience in order to avoid similar mistakes.

Deputy Prime Minister Gafar Baba said that the United Malays National Organization [UMNO] should fairly govern this country and equally treat all nationalities. If this principle is strictly adhered to, all the people will enjoy a peaceful life, otherwise not only the Chinese but the Malays also will suffer disaster.

For the sake of economic development and national unity, we sincerely hope that the government would firmly maintain a stand of equal treatment to all nationalities at any time under any circumstance.

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CONCOM DELEGATE ON CHARTER 'FLEXIBILITY' IN ALSA MASA QUESTION

Quezon City VERITAS in English 19-25 Mar 87 p 23

[Commentary by Joaquin G. Bernas, S.J. in the "Occasional Reflections" column: "Some Questions About 'Alsa Masa'"]

[Text]

I HAD just positioned myself in front of my Mac to meet a Tuesday morning deadline when word came on TV news that the President had ordered the dismantling of "Alsa Masa." Nonetheless, in these times when the word of the President does not necessarily command obedient action, some reflections may still be in order.

Some of the facts are clear enough. There is a phenomenon called "Alsa Masa" in Davao. There are similar groups elsewhere, although perhaps of not exactly the same shape. Alsa Masa has achieved a measure of success in protecting Agdao from the threat of insurgent forces. It now enjoys the support of many citizens. It has the support of military authorities in Davao. It also enjoys the support of the local government. It also reportedly enjoys the support of Secretary Ilo, Secretary Ferrer, and General Ramos, even to the extent of being held up as model of how citizens should protect themselves.

But there are also rumblings of complaints. It is said that Alsa Masa extorts taxes, that organizational membership is not voluntary, that the group is tending to be abusive; that it has no clear disciplinary links and tends to be a law unto itself; that it can deteriorate into an outlaw group, if it has not done so yet.

Whatever the truth about all these may be, one basic question must be asked: Blessed by generals and mayors, what is the legal status of Alsa Masa?

There are two constitutional provisions that are pertinent. The first reads thus: "The Armed Forces of the Philippines shall be composed of a citizen armed force which shall undergo military training and serve, as may be provided by law. It shall keep a regular force necessary for the security of the State."

It is clear that Alsa Masa is not the regular armed force. Is it the "civilian armed force" of the nation? Does it undergo military training? Does it serve in accordance with law? If it does, which is that law? These, I suppose, are questions which must be answered by the civilian and military authorities who so readily gave their blessing to the movement.

My recollection of the Constitutional Commission debates on the subject is to the effect that the citizen armed force was to be modeled after that of Switzerland which, we are told, with a population of 5.5 million, has a citizen armed force of 650,000 which can be mobilized within 48 hours. Is that what Alsa Masa is? My other recollection of the Constitutional Commission debate is that the present law's equivalent of the Swiss force are the reserves coming from what used to be the ROTC. These do not seem to be what the forces of Alsa Masa are.

Another pertinent provision is Section 24 of the Transitory Provisions. The provision took almost all of a whole day's emotional debate, and it reads: "Private armies and other armed groups not recognized by duly constituted authority shall be dismantled. All paramilitary forces including Civilian Home Defense Forces not consistent with the citizen armed force established in this Constitution, shall be dissolved or, where appropriate, converted into the regular force."

The decision of President Aquino is said to have been based on this provision. She considered Alsa Masa either as a private army or armed group not recognized by duly constituted authority (notwithstanding the blessings received from members of her Cabinet), or as a paramilitary force not consistent with the concept of a citizen armed force found in the Constitution.

The question that naturally comes to those who found in Alsa Masa the protection they could not get from the regular armed force is this: Have we designed a Constitution that makes the citizenry incapable of defending itself when the regularly constituted peace-keeping forces fail? The answer which the debates on Section 24 give is that, yes, the citizen can legally protect themselves. How?

The focus of the debate on Section 24 was the historical aberration which the Civilian Home Defense Forces tended to be. But there was a reluctance on the part of a very slim majority to condemn the CHDF outright. It was a reluctance shared by military consultants. The majority considered the concept by itself redeemable. They prevailed in preserving the bare concept. They believed that the concept of a citizen armed force was flexible enough to accommodate a force of local citizens armed for self-protection. Thus, to the question raised on the floor whether Section 24 would prevent townspeople from organizing themselves in time of emergency and from asking the government for arms for their own protection, the answer was in the affirmative -- provided that everything was done according to the Constitution and according to law.

The law of the Constitution is the flexible concept of a citizen armed force. But no statutory law as yet exists which answers the problems of the citizens of Agdao.

The law of the Constitution was fashioned as an answer to perceived excesses of the right. Properly used, however, it can also be used to prevent excesses of the left. Statutory law must explore the flexibility of the Constitution and imaginatively use it to fashion a model of a citizen armed force that can protect the likes of the citizens of Agdao from excesses of the left and excesses of the right as well as from the dangers of ordinary criminality. That is another challenge to the Aquino government.

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WEEKLY CITES CRUCIAL ISSUES OVERLOOKED IN CAMPAIGN

Quezon City NATIONAL MIDWEEK in English 1 Apr 87 p 1

[Editorial: "The Issue Is Survival"]

[Text]

**T**he race is on for Congress. In the tumult and excitement, amid the bombast and frenzy that is electoral politics, Filipino style, who cares about the Filipino race?

The various parties have put up their platforms and are busy staging those political variety shows so dear to the hearts of all registered voters.

But the distressing fact is that, for all the rhetoric and dramatic routines with which we are being regaled, little or nothing is being said about issues of the most crucial importance to the survival of the Filipino nation.

One of these issues is nuclear war. Another is the population explosion. Still another is deforestation.

Except for Bernabe Buscayno, whose somber alarm may not be heard in the amplified din, the Senate bets, if they touch on the subject at all, appear to view the US bases strictly in terms of national sovereignty or the economy. What about the very real and non-debatable threat of nuclear missiles devastating Clark and Subic and large chunks of Luzon tomorrow, or the day after, and turning half of the country into a radioactive wasteland?

A million Filipino babies are born each year, at the rate of two every minute or 87,000 infants a month, so that, say the demographers, the population will likely exceed the 80-million mark in the first few years of the next century. How can any government, rightist, fascist, socialist or Marxist, hope to feed and shelter and give work to these teeming millions? Will the swarming, suffocating masses then still listen to promises of jobs and justice, food and freedom, land and liberation?

And our forests, or what's left of them — they continue to be cut down, pillaged, vast areas turned into



virtual deserts; a preview, the warning has been sounded repeatedly since the 1960s, of the nationwide catastrophe that is sure to come unless such wanton destruction is stopped. But who among our would-be solons have deigned to devote a single thought or sentence to the issue of deforestation, to the disasters it will bring down on our land, including no more land left to reform?

An overpopulated, impoverished desert of a country about to be annihilated in a nuclear war. . . Do we exaggerate? Are we indulging merely in fearful fantasy?

We think not, and we can only hope that, somehow, in the next six years, some legislation will begin to turn the tide and ensure the survival of Filipinos and their posterity.

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CSO: 4200/484

VERITAS ON 'TRIUMPH OF MIDDLE FORCES'

Quezon City VERITAS in English 19-25 Mar 87 p 29

[Article in the "On Living" column by Asuncion David-Haramba: "Are We Witnessing the Triumph of the Middle Forces?"]

[Text]

COULD never hide it well. I could not hide my disappointment and impatience with the Middle Forces to which for all reasons I belonged. I felt that we were simply no match for *them*. When would we ever get our act together? My ambivalent feelings trickled out in some pieces I wrote and in slips of the tongue, so much so that I seemed fair game.

So was the middle position for which I relentlessly argued. Often, my opponents out-talked me and outdid me. "There is no such thing as a middle position - that's a vacuum." "History has never borne its triumph out." "The middle is always eaten up by the left or the right." "You'll never make it; you people are too comfortable." "You're just giving a fancy name to fence-sitting."

My position was beleaguered. And excuses of friends like me who begged off from meetings and rallies were no help. "Stiff neck," "headache," "lumbago," "*balikbayan* guests," "too early," "too late." We were all like the would-be followers of Christ who excused themselves because one had to "go back and bury my father," and another had to "say goodbye to my family."

But I have aligned myself with the Middle and I pin my hopes on it. The country is swaying left and right, but holding on to center. Cory, the cabinet, the Constitution, the majority of citizens may be reflecting each other's inclinations. Besides, history has been out for a couple of surprises in the Philippines and this vacillating, irresolute Middle may surprise us all.

In this recent period of our history, the Yellow Revolution launched on Ayala Ave., Makati, soon after Ninoy's death, started the Middle Movement. Its first big triumph was NAMFREL. The sentiments behind it, the nature of its activities and the bulk of its members are middle. NAMFREL is entitled to all the ego-tripping it wishes to do. It swung the two most important elections to date, the elections themselves being also triumphs of the Middle.

The first one (remember?), was the May 1985 elections to the now defunct Batasan under the very nose of Marcos. We in Paranaque swayed Jaime Ferrer to victory over a relatively good KBL man whose picture was plastered on every post on the Superhighway up to Makati. The subliminal suggestion was frightening but it did not catch. Metro Manila carried the entire opposition slate from Kalaw down, except for Tolentino who managed to sneak in.

Never in my life, and I'm not such a spring chicken anymore, had I, had we all, seen such enthusiasm and vigilance. The shifts at the polls were killing but how we watched. By twilight, women power was fuelling the homestretch in our precinct. *'Nasaan si Mister? Nasa bahay; binebewang-na'* Like the Ark of the Covenant, ballot boxes were accompanied to municipal halls all over the country.

The next one, who can forget, was the Feb. 7, 1986 Snap election. Need anything be said about that historic election?

Before the month was over, the next triumph was the EDSA Revolution. Nothing, again, need be said about that.

The Feb. 2 ratification of the 1986 Constitution is the latest triumph of the Middle. As the prophets of doom had predicted, the Middle was being crunched by a pincer movement of Left and Right, but the Center pushed through with the guerdon to boot.

Coincidentally and significantly, four of those achievements are connected to the electoral process. This may mean that the vast Middle will have nothing else but democracy; that they may be namby-pamby about too distressful and demanding activities, but for elections, they will turn out in hordes and surprise the world and themselves included; that they want change, but they will do it by the ballot.

Yes, we will have our elections. Resoundingly we would have it. At all costs we will have it, even if it is rigged, even if we have to risk our

lives, even if it could legitimize a Marcos; we will risk it, make or break.

Decades from now, when today's history is written, the May, 1985, the Feb. 7, 1986 elections and the Feb. 2, 1987 plebiscite will surely be noted as three of the most decisive times when the Filipino people went to the polls.

EDSA of course is the epitome of the Parliament of the Streets - three days round the clock, in the region of millions, non-violent and many will tell you, even mystical. When pressed, the Middle Forces will emerge. Unorganized, it will consolidate (although we shouldn't press our luck too far on that phenomenon) and it will engage in the Parliament of the Streets.

But the Parliament of the Streets, the Middle seems to say again and again, is the farthest it will go, the farthest that most of the people in this country want to go. The Middle will always be accused of timidity, of compromise and complacency: it will talk first and be vexingly patient. But it will not take up arms. This "weakness" may turn out to be our savior yet - why not, if because of it, we avert violence and cushion change. If the Middle were as hot as Left and Right, we may already have gone up in holocaust.

When you come down to it, it was not the armed struggle that ousted the dictator; it was not the turnabout of a military faction that did it either. Could these two ever have done it? Pat yourself on the back, but it seems like the Middle Forces did it: first with the elections that crippled Marcos and then with the vigil at EDSA that sent him flying off to Hawaii.

Are we witnessing the triumph of the Middle Forces?

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SIN CAUTIONS AGAINST INVOLVEMENT IN MOON ACTIVITIES

Quezon City VERITAS in English 19-25 Mar 87 p 23

[Article by Jesselynn Garcia De La Cruz]

[Text]

**T**HE clergy and religious and lay men and women of the Archdiocese of Manila were cautioned recently about their possible involvement in the activities of the Unification Church of Rev. Sun Myung Moon.

A directive issued by Jaime L. Cardinal Sin, archbishop of Manila, last February 16 conveyed an "urgent admonition" to the faithful "so that the spreading activities of Rev. Sun Myung Moon's Unification Church may not lure us into its snare."

Noting that a number of bishops, priests, religious and civic leaders have accorded polite appreciation to the generous initiative of the Unification Church's agents who offered educational and socio-economic assistance, the Manila archbishop hastened to explain that "such gesture does not mean full support to the goal of the Unification Church towards making all religious groups and churches as branches of its coordinating and unifying control."

The goal of this group, the circular added, is destructive both for the existence of various religions and for the conscience of the adherents to the doctrines of the faith.

The basis for the directive was an advice received from the Holy See, through the Apostolic Nuncio Bruno Torpigliani, regarding the movement "Causa," organized by the said Unification Church, which held a congress in the Philippines in December last year. The congress invited and received participation from a number of personalities from the Catholic Church and was even sponsored by a Catholic institution.

As a result of this, the Secretariat for Non-Christians, backed by the Secretariat of State, Secretariat for the Unity of Christians, Secretariat for Non-believers and the Council for Culture, sent a communication to the local Church of the Philippines through the Apostolic Nunciature. The purpose of the communication was to inform all concerned persons about the nature, methods and objectives of the Unification Church "for the reason that, taking into account the ambiguous character of the Movement, precaution is necessary for those who involve themselves in and argue for participation in the Congresses organized by this Sect." -

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## BUSINESS CLIMATE IMPROVEMENTS NOTED

Quezon City VERITAS in English 19-25 Mar 87 p 25

[Text]

**T**HE investment climate in the Philippines has improved during the past months, according to a member of the advisory committee representing around 400 foreign bank creditors with which the Philippine government is currently negotiating for a lower interest spread on its foreign loans.

Chase Manhattan Bank, N.A. said the Philippine investment "balance sheet" is not at all bad since the positive factors outweigh the negative.

The offshore banking unit of Chase Manhattan in Manila came up with this assessment after looking into market and production forces, government policies and short-run conditions in the Philippines.

On the market factors, Chase Manhattan considers the country's large population which stands at about 57 million and consumers' Westernized consumption habits as favorable to foreign investors.

However, the bank sees the relatively low incomes and low purchasing power of Filipino consumers

as negative factors.

On the production side, the country's cheap labor rates, workers' ability to speak English, abundant natural resources, and a favorable exchange rate count as plus factors.

But the bank sees the militancy of some areas in the labor sector, relatively high power rates, insurgency and some restrictions on the use of natural resources as negative points.

On government policies, Chase Manhattan Bank hails the Aquino government's commitment to private-enterprise, removal of export taxes (except on logs), import liberalization and the dismantling of crony capitalism.

It considers certain restrictions on foreign ownership as on the negative side.

On short-run conditions, the positive factors include a low inflation rate, a stable exchange rate, and anticipated economic recovery.

It views the "infancy" of the government as not favorable to foreign investments, however. — PNF

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CSO: 4200/484

MIDWEEK INVESTMENT SURVEY: BRIGHTER BUSINESS PROSPECTS

Quezon City NATIONAL MIDWEEK in English 1 Apr 87 pp 35-37

[Article by Zenaida Mariano: "Tighter But Better"]

[Text]

**H**ow's business under the Aquino administration? It's tighter, but generally the outlook is more hopeful than in the last few years.

Many local businessmen shied away from single proprietorships during the first 10 months of the Aquino administration. For the period of March-December 1986, single proprietorships registered by the Bureau of Domestic Trade totalled \$7,319 — an 8.01 percent decrease from the 1985 total of 62,309 single business concerns.

For the same period, newly organized domestic corporations and partnerships totaled 6,930, reflecting a 12.5 percent improvement over the previous year's total record of 6,160 ventures. However, insofar as initial capital investments were concerned, the situation was the reverse. From P1.68 billion in start-up capital during the March-December 1985 period, the level slid down to P1.35 billion for the same span last year, a decrease of P331.09 million or 19.71 percent.

For a longer span, from January to December in both years,

Securities and Exchange Commission figures indicate similar realities. Some 8,012 new domestic corporations and partnerships joined the business arena from January to December 1986, up by 620 entities (an 8.39 percent increment) from a previous total of 7,392. Again, local incorporators and partners made fewer investments in 1986 than businessmen in 1985 — P1.64 billion, down by P469.65 million from P2.11 billion, or a 22.23 percent reduction.

There were more domestic corporation-registrants during the March-December 1986 period — a total of 6,095, up by 772 stock and non-stock domestic corporations, indicating a 14.5 percent increase over the preceding total of 5,323 entities. While there were more domestic corporations formed and licensed in 1986, their aggregate initial capital investments of P1.21 billion showed a contraction of P329.11 million or 21.36 percent less than the P1.54 billion start-up investments in fewer domestic corporations during the 1985 period.

There were minimal declines in the number and initial capital

of registered partnerships in 1986. The new total of 835 partnerships representing P137.4 million in investments was lower by two entities, from the earlier total of 837 partnerships supported by fresh capital of P139.38 million. With fewer partnerships in 1986, correspondingly less capital investments were channeled initially into these entities.

Among 5,058 domestic stock corporations and partnerships for March-December 1986, the wholesale and retail trade was the industry preference, accounting for 28.92 percent. Next on the list were financing, insurance, real estate and business services, representing 21.15 percent. The other preferences: manufacturing (17.26 percent); community, social and personal services (9.83 percent); agriculture, fishery and forestry (8.44 percent); transportation, storage and communication (7.08 percent); construction (5.97 percent); mining and quarrying (1.72 percent). In terms of paid-up investments, these had the largest share: financing, insurance, real estate and business services, for a total of 28.6 percent. Other industries with huge paid-up capital included wholesale and retail trade (18.32 percent); manufacturing (16.97 percent); agriculture, fishery and forestry (11.69 percent); transportation, storage and communication (10.47 percent). The rest had these shares: community, social and personal services, 6.57 percent; construction, 5.54 percent; mining and quarrying, 1.84 percent; and electricity, gas and water, an insignificant percentage.

Likewise, among 4,386 incorporators and partners in 1985, the industry choice was wholesale and retail trade, accounting for 31.21 percent. The other choices: financing, insurance,

real estate and business services, 21.48 percent; manufacturing, 15.78 percent; community, social and personal services, 10.33 percent; agriculture, fishery and forestry, 8.91 percent; transportation, storage and communication, 6.0 percent; construction, 5.24 percent; and mining and quarrying, 1.03 percent. Substantial investments went into the wholesale and retail trade (25.92 percent of the total paid-up investments); financing, insurance, real estate and business services, (25.83 percent); and manufacturing (25.6 percent). The remaining outlays were funneled into agriculture, fishery and forestry (7.39 percent); transportation, storage and communication (7.19 percent); construction (3.91 percent); community, social and personal services (3.63 percent); mining and quarrying (an insignificant portion); and electricity, gas and water (an insignificant share).

**D**uring the first 10 months of the Aquino government, nine regional headquarters of multinational corporations were organized and registered with the SEC. Four of these business concerns were American, two English, one Swedish, one Singaporean and one Australian. Their combined paid-up capital totaled P5.48 million.

Comparing the same periods in 1985 and 1986, SEC records show that the former accounted for only two regional headquarters. For the whole year, 1986 posted some modest gains in terms of outlay and number. With the foreign inflow of P1.65 million coming from three global firms in 1985, capital infusion surged to a new high of P6.03 million poured in by 10 big enterprises.

Multinational corporations with newly registered regional headquarters registered in the Philippines last year were:

1. Nitro Nobel AB, a Swedish firm engaged in the manufacturing and trading of civilian explosives and accessories.

2. Philip Morris Asia, Inc., an American firm providing marketing, administrative, supervisory and communication services to promote the sale of tobacco products of the parent company and its subsidiaries and affiliates.

3. Semper Bio-Technology Ltd., an English manufacturer and distributor of fruits.

4. Magellan Associates, Inc., an American importer of houseware and giftware from the Asia-Pacific region.

5. Hawaiian Telephone Co., an American telephone company which operates international communications systems, and engages in international trade with affiliates, subsidiaries and branches.

6. Lutheran Church Missouri Synod, an American missionary organization.

7. Duferco Brazil Ltd., an English trader of steel products.

8. Avery-Lawrence Private Ltd. of Singapore designs product processes and systems, and fabricates products for the petroleum industry.

9. Tumenimport Agencies Pty. Ltd., an Australian corporation, imports and exports liquified petroleum gas, portable appliances and associated equipment. It is also involved in horticultural technological transfer.

As of the end of December 1986, regional headquarters of multinational corporations totaled 395, most of which had been encouraged to come in during the martial law era.

From March to December in 1986, 13 foreign corporations were licensed by the SEC to

operate in the country. Nine of these were stock and four non-stock. They were either branches or representative offices of their respective parent firms. The aggregate paid-up capital of the nine stock foreign firms accounted for P4.99 million, reflecting a drop of 143.89 percent value-wise in comparison to the previous record's 14 (10 stock and four non-stock) foreign corporations which infused a total outlay of P12.17 million.

The stock foreign corporations that were licensed to operate here in 1986 were the following:

1. Hitachi Ltd., a branch of the Japanese company and a subcontractor to Marubeni Corp.

2. The Japan Tobacco & Salt Public Corp., a representative office of the Japanese firm, coordinates between the head office and local manufacturers/distributors through a domestic company coordinating center.

3. Accuphase Ltd., a representative office of the British corporation engaged in the mass duplication, packaging and development of computer software.

4. Papillon International (U.K.) Ltd., a branch of the English enterprise, exports Philippine cottage products.

5. Corporacion Mapfre, Compania Internacional de Reaseguros S.A., a representative office of the Spanish firm, coordinates with its client-reinsurance firms in the Asia-Pacific region.

6. Samuhan Corp., a branch of the Korean company, is a subcontractor of Hyundai Engineering & Construction Co. Ltd., put up to undertake the electrical service installation for the Asian Development Bank's new headquarters building.

7. ASM Plating Ltd., a British corporation, engages in product promotion and market development, and acts as a liaison office between the head office and its customers.

8. Covertex Pty Ltd., a branch of the Australian company engages in the manufacture, buying, selling, barter, import and export of industrial safety equipment, apparel and industrial gloves.

9. P & N Corp. is a branch of the Japanese firm established to carry out contractual obligations with the Philippine government in the construction of the flood forecasting and working systems for a dam operation project.

The non-stock foreign corporations licensed to operate in 1986 included:

1. Yahweh's Assembly in Mesiah, a branch of the American evangelical organization.

2. Kindernilfe Philippines, e.v. Mainz, a representative office of the West German non-stock concern, is involved in youth assistance and child care.

3. World Evangelism, Inc., a branch of the American corporation, is engaged in religious activities.

4. William C. Pitsenburg Foundation, a branch of the American company, provides medical and educational assistance to children.

**B**oth periods of 1985 and 1986 saw almost the same number of business shutdowns, but with a staggering difference in capital withdrawal unfavorable to the 1985 span. In 1986, there were 115 corporations and partnerships which bowed out of business as against 121 business closures in 1985. The sharp contrast was apparent in the capital outflow of about P1.48 billion in 1985 compared with P392.38 million in 1986. The heavy increase in capital withdrawal, reflecting a 73.38

percent jump after only one year, amounted to P1.08 billion, due mainly to financial difficulties and lack of interest, as reported by businessmen to the SEC.

Curiously, despite the government's reconciliation policy, labor unrest was far greater during the March-December 1986 period than for the same period in 1985.

There were more strikes and lockouts in 1986. From a total of 359 actual strikes and lockouts declared involving 95,782 workers in the 1985 period, the new level reached 555 strikes and lockouts involving 150,928 workers. In just one year, strikes and lockouts increased by 196 (54.6 percent), and the number of participating workers rose by 55,146 (57.6 percent).

A marked difference surfaces, however, in the number of settled cases. In 1986, settled strikes totaled 189 (77.46 percent more than the previous record), with 433 settled cases compared with the 244 for the earlier period.

Strikes and lockouts in 1986 were attributed to: illegal dismissal and suspension of union officers and members; discrimination against and harassment of union members; violation and non-implementation of the collective bargaining agreement; economic bargaining deadlocks; refusal to bargain and bargaining in bad faith; and bargaining deadlocks on unspecified provisions. Interestingly enough, the same problems triggered strikes and lockouts in 1985.

Hardest hit by strikes and lockouts in 1986 was the manufacturing sector. Some 85,860 workers were involved in 360 strikes and lockouts (63 percent



of the total) in nine industries. Labor troubles also affected community, social, recreational and personal services (10.3 percent); wholesale and retail trade, (9.3 percent); and transport, storage and communication (8.9 percent).

So went 1986 on the business and labor fronts under the Aquino government, which can look forward this year to more auspicious conditions for businessmen and investors with the ratification of the new Constitution and the forthcoming revival of Congress.

/9317

CSO: 4200/484

## NORTHERN LUZON TRIBES CONSIDER CONTROL OF LOCAL GOLD INDUSTRY

Quezon City VERITAS in English 19-25 Mar 87 p 25

[Text]

**S**PECULATORS and businessmen may lock up their gold in vaults as a hedge against the devaluing peso. But children in mud-caked clothes romp around Lacub. Abra with beads of pure gold dangling from their ears or necks.

For Lacub, like many a Cordillera highland municipality, literally sits on a mountain of gold.

Not only gold but silver and copper are also found in this Tingguian stronghold about five hours away from the capital town of Bangue.

Lacub elders believe gold, a rare commodity for exchange in the highlands, should be extracted and used for the development of the tribal groups.

Elder and ex-Mayor Bernardo Eduarte adds that the "genuine socio-economic development of the Cordilleras" would be the tribes' contribution to national development.

The exploitation of the Cordillera's natural resources, which includes mining, says Eduarte, has hardly created a dent in the economic progress of its people.

The Batong Buhay Gold Mines, Inc. (BBGMI) in Pail, Kalinga-Apayao, for example was an ancestral gold mine which to the belated dis-

may of the Balatoc tribe, was allegedly bought from their illiterate elders (who were brought to Manila and made to sign documents they could not understand) for a few hundred pesos and some token gifts.

At present, the Binongan Tingguian of Lacub who have at least five ancestral gold mines (Agamid, Manasag, and Saneng in Lacub proper, Binangaran and Busawit in Barrio Talampac, and Minori in Barrio Guinabang) are closely guarding their gold.

Agamid Miners' Association Chairman Luis Viste narrates that while mining has provided an economic boost to the tribes' lethargic economy, they do not want a repeat of the violence and rapacity which had marked their gold history:

- Spanish *conquistadores* in the 16th Century, lured by the glitter and potential of this metal, attempted to construct a mountain highway traversing Bangue, Balbalasang in Kalinga-Apayao and on to Tuguegarao, Cagayan bringing with them 600 convicts and conscripting locals for hard labor.

- The Americans who came at the turn of the century, armed with superior weapons and sophisticated

technology, were more successful in extracting gold from the hostile terrain of the Cordillera.

From the Commonwealth period up to the pre-marital law years, five mining firms have been able to penetrate deep into the fastnesses of the Tingguian mines with various degrees of success.

"We were hardly educated then and we were paid P1.50 daily. We were thus forced to allow them (the mining companies) to operate," says an elder. "But we have learned." -

/9317  
CSO: 4200/484

## TRADE OFFICIAL DISCUSSES U.S. BILATERALS

Bangkok THE NATION in English 26 Mar 87 p 25

[Text]

**D**IRECTOR General of the Commercial Registration Department, Miss Sukon Kanchanasai, has not been making speeches as frequently as other top officials or executives in the private sector. But when she made one, similar to the one at the American Chamber of Commerce yesterday, it was quite captivating.

Well Miss Sukon's topic was about her department's perceptions on some Thai-US current issues. Here is what she says:

"It is said that government official should not go fishing in a troubled water; for he or she may not be too sure whether he or she is fishing or being fished. I hope in giving a talk today on our perceptions on some Thai-US current issues, I am not on the fishing trip to be fished. To make doubly sure, I should like to remind you that 'perceptions,' in my sense, simply means awareness of the subjects by seeing, hearing, sensing, etc.

"Through various senses, I have detected several current Thai-US issues. Some are apparent; some are real; others are simply misunderstandings; and others still are neither sensible or responsible. All these are to be expected, even among friends and allies, going through difficult times these days.

"Pondering over these issues, I have, on the one hand, been repeatedly told about free and fair trade, about tilted playing fields, about fair access of the market, about Christmas tree of protectionist measures, about quest for excellency... on the other hand, I have been impressed upon about GATT rights and obligations, about most favoured nation treatment, about an open multilateral trading system, about special and differential treatment for LDC, about non-reciprocity of GSP.

"We believe that the US Administration has laid down a growth path of American economy into the twenty first century on knowledge industry as well as on service industry. To prepare the ground for such path, it is logical to induce effective protection of intellectual property and to encourage liberalization of trade in services among nations of the world.

"Through concerted action, GATT ministerial meeting on Uruguay round recognized for the first time protection of intellectual property and trade in services as trade related matters. It was

decided that negotiations were to be launched to establish a multilateral framework of principles and rules for these two specific issues.

"Like all other multilateral trade negotiation rounds, no one at Punta Del Este was very sure of the outcomes of the round by 1990. But I do believe that one thing is certain. It must be accepted that commercial policy cannot be formulated in isolation. Apart from due consideration of national interests and security, commercial policy of any nation must take into account commercial policies of other nations. Ultimately commercial policy of one nation is an interaction of policies and measures conducted by other nation governments.

"With US being a dominant economic power and having a significant commercial relations with us, our commercial policy must, in some measure, take into account her interests. But how far the policy can absorb her interests is another matter. By the very nature and impact of the issues, I suspect, there will always be a conflict, which must be resolved through compromise, through trade off, through a lot of horse trading. It will probably be a prolonged and protracted trading. It is not an easy game to play. But everybody will want to have a hand in the game.

"Considering social and economic development level of our society, I fear that strong US interests in the two issues — intellectual property and service trade — are hyper sensitive, extremely complex and profoundly complicated. To find reasonable solutions would require a lot of patience, a lot of understanding and many more.

"We have already begun and will continue on a faster track to organize several series of seminars and roundtable talks on each specific issues to get the feelings and the thinkings of interested groups. We have not yet gone beyond the feelings and thinkings of delegations when they concluded the meeting at Punta Del Este in last September.

"Several of my friends particularly foreign friends have and will continue to ask me these questions: Why should your American friends worry about alien business decree? They already got national treatment under treaty of amity and economic relations. What the Thais get, they get. Why should they want the Thais to get more than they got now.

"My answer has always been that our friends believe in graduation. They believe that rights and obligations should be equated with the level of well-being, however, apparent or real, however, short-or long-live it may be. Every time they commend us in their press release for our well-performed economy or for our favourable trade balance with them, they always send us a note to remind us that we are playing economic football on a tilted field. I wish our friends would not be so generous with their commendations. I sometimes wish we were poor, deserving no praise.

"Under the treaty, American nationals, corporations, partnerships, companies, and other associations enjoy, to a large extent, national treatment with respect to establishing, as well as acquiring interests in, enterprises engaged in commercial, industrial, financial and other business activities. In other words, they are exempted from provisions of alien business decree.

- If their enterprises are not engaged in communications, transport, fiduciary functions, banking involving depository functions, the exploitation of land or other natural resources, or domestic trade in indigenous agricultural products, and

- If their business activities are not the practice of professions or callings reserved for Thai nationals.

"In view of GATT ministerial declaration on Uruguay round and the ASEAN summit meeting of heads of state at the end of this year, we have begun to explore various policy alternatives for trade in services and to assess impacts of each alternative on security, strength and flexibility of our economy. Such ground work will form a basis upon which the government will make political decisions.

"Within the present legal framework of the decree, we have undertaken to streamline rules, regulations as well as procedure, to make them more reasonable, more logical, more pragmatic, more definite and certain, and specifically, more conformable to the "open market" policy of the present government. We have revised our thinking on conditions relating to granting of licences under category C for new applicants or in case of merger. We have more or less removed restriction on expansion of business entities operated prior to the implementation of the decree.

"Over the above that, we have, in view of changing business conditions, reviewed our thinking on all three categories of restriction on business. Essentially, we look at the decree as a basic foreign investment capital law; in what economic activities and how far in each activity, are we going to allow foreigners to invest capital, management and technology, taking into account possible adverse consequences on security, strength and flexibilities of our economy in the foreseeable future.

"Our exchange of views on trademark law has been more or less completed. We have put their and our perceptions into a new bill. The bill envisages wider and more effective protection for trademarks. The coverage is extended to service and certifications marks. The bill also contains sanction provisions, prescribing civil and

criminal redress for infringement. Such provisions will facilitate law enforcement, since the sanction no longer depends on the general provisions of infringement under the civil and commercial code. The bill is expected to be before parliament in the coming session.

"Just about to congratulate ourselves on the completion of our task, we received from our American friends a note, commenting just about every provisions of the bill. We were even more disheartened by our European friends who said that the present act is a good law. They could not understand reasons behind new bill. At a glance, if we were to accommodate all comments, it would probably take a couple or more commerce ministers to get the bill through. However, my legal experts claim that provisions of the bill will take care most of the comments through interpretations.

"Our legal experts are still addressing themselves to legal niceties on patent and copyright issues. Our economists are also still analysing economic implications of the issues.

"The economists argued that transfer of technology is one of the basic development tools for LDCs. They said that central to this are provisions on patentable subject-matters, compulsory licensing, and duration of protection. We had chosen to exclude from coverage many intentions and improvements, among them, pharmaceutical products and ingredients. It was believed at the time that such subject-matters should remain in public domain because of tremendous impact on social and economic development level of our society. No one should be entitled to monopoly power. For other subject-matters, we were prepared to give exclusive rights of fifteen years from the date of filing application. Such exclusive rights are however subject to compulsory licensing under certain prescribed conditions.

"We have yet to react to the three basic issues of transfer of technology. Our legal experts feel that whatever amendments are made and there should be some, there must be a grace period to take care of retroactive application of the law.

"We have also seen a spectrum of confusion and controversy over protection of computer software and maskwork of semiconductor chip. Our literary and artistic experts insist that it is a matter of taste whether or not to include these two under copyright law. If you appreciate abstract art, you might want to have them under copyright law; but if you are a real-life lover, you might want to put them elsewhere. Our legal experts think they are either here or there or neither here or there; but it would be interesting to know a law court taste, abstract or real-life lover?

"Most of us feel that there should be a separate law for these two creations. WIPO have drafted treaty on protection of micro chip or semiconductor chip or integrated circuit, why not go on to computer software.

"So you see, I am surrounded by all kind of experts. Some of them even suggest to me that we should take action against republican party for infringement and counterfeiting our well-known mark for using elephant as its service mark or certification mark. I forget which.

"I hope I have confused you enough. I am thoroughly confused myself, even in our own perceptions."



## OFFICIAL DISCUSSES COUNTERTRADE POSSIBILITIES

Bangkok DAO SIAM in Thai 4 Mar 87 p 3

[Text] Mr Somphon Kiatphai boon, director general of the department of business economics, revealed that a conference of the subcommittee of countertrade chaired by Mr Montri Phongphanit, minister of commerce, with Mr Phachorn Issarasena, undersecretary of commerce, serving as secretary of the subcommittee, had discussed several matters as follows: Countertrade operations must proceed in the direction set by the committee of economic ministers, that is, countertrade is only supplemental trade for the distribution of some merchandise which has export problems, for example, agricultural products which have problems in finding new markets, expanding markets, and retaining markets.

In addition, there was discussion about whether there should be countertrade or not. In this discussion, there were 8 elements. South Korea proposed to sell 150,000 tons of fertilizer for 10,000 tons of tapioca products; India proposed to sell trucks and buses worth \$9.6 million for tin and fluor spar; France proposed to sell vehicles for 60,000-100,000 tons of Thai rice; the Thai Crop Countertrade Company proposed to sell 30,000 tons of Thai rice worth about \$5.5 million to Poland for "CAT C" cars; Yugoslavia proposed to sell 6 cranes for rice, tapioca products, rubber, and garments; South Korea proposed to sell arms for Thai agricultural products; Hungary proposed to sell medical instruments worth \$1 million for Thai rice. For these, the Thai side had already agreed in principle; Brazil proposed to sell tractors worth 84 million baht for 100,000 tons of rice; this will be brought up for further consideration.

Mr Somphon further said that for countertrade, Thailand should be the initiator. Any government agencies or state enterprises which want to purchase foreign products will change their purchasing power to selling power. For countertrade in the private sector, the government will not interfere, but will allow free trade.

Most of the merchandise being traded includes rice, corn, tapioca products, minerals, processed goods, and semi-industrial products, for example, clothing, frozen seafood, and canned fruits. These products depend on the market situation.

13217/13046  
CSO: 4207/173

## CHAWALIT SETS UP 'THINK TANK'

Bangkok THE NATION in English 24 Mar 87 p 1

[Text]

**ARMY Commander-in-Chief Gen Chavalit Yongchaiyudh has set up an informal "think-tank" to put a more refined touch to his public statements and improve coordination among key army directorates.**

An informed army source told *The Nation* yesterday that Gen Chavalit ordered Army Chief-of-Staff Gen Wanchai Ruangtrakool to form the "think-tank" last week.

Gen Wanchai recommended Deputy Army Chief-of-Staff Lt Gen Charuay Vongsayan to head the group, the source said.

The group will include experts from various fields such as operations, logistics, and civilian affairs.

The source said Lt Gen Charuay was recommended because he handles civilian affairs for the army.

The move to form the "think-tank" came amid criticisms that Gen Chavalit has made public statements, especially during impromptu interviews by journalists, that caused dismay in the government.

In one such impromptu interview on Mar 16, Gen Chavalit dropped strong hints that he believes some Cabinet members are incompetent and that the government policy is not serving the majority of the farmers, and that the national development policy should be directed toward making Thailand an "agricultural superpower" instead of a newly industrializing country (NIC) which the government wants Thailand to be.

On the following day, one aide to Gen Chavalit announced that the army chief would no longer allow impromptu interview, and would talk to the Press only during a formally-held press conference like in the case with the premier. The premier talks to the Press only in his monthly press conference at Government House.

The "think tank" will help refine Gen Chavalit's ideas for public pronouncement, put

his ideas in instructions, and perhaps reduce his workload, the source said.

The move is a clear departure from the leadership style of Gen Chavalit who has often surprised his staff officers with his initiatives, the source noted.

The source added that the restructuring plan of the Internal Security Operations Command (ISOC), and his address in Chiang Mai in which he dissected the Thai political system and compared political parties to business enterprises were original ideas of Gen Chavalit.

It was also Gen Chavalit's idea to release the army's white paper to clarify his own concept of *patiwat* last Saturday, the source said.

The white paper emphasizes that Gen Chavalit's *patiwat* means a peaceful revolution of the political system, not a coup.

Gen Chavalit agreed with other top army generals that such a "think-tank" could also help improve coordination among various key army directorates, the source said.

The army has requested an allocation of about 800 million baht to build the army headquarters which will for the first time house all important army offices under the same roof. The army reasons that physical proximity will improve coordination among army directorates.

After Gen Chavalit was appointed the army chief to succeed Gen Arthit Kamlang-ek last May, he set up a committee to review promotion of senior army officers. The move then was aimed at dispelling fears among followers of Gen Arthit that Gen Chavalit would be biased against them.

The promotion committee was then headed by Gen Wanchai.

/9317

CSO: 4200/483

THAILAND

CROWN PRINCE ARMY UNIT UPGRADED, GENERAL SLOT FORESEEN

Bangkok DAO SIAM in Thai 2 Mar 87 pp 1, 15

[Excerpt] According to a highly placed source in the army, Gen Chawalit Yongchaiyut, commander in chief of the Royal Thai Army, has ordered that a change in the chain-of-command be effected for the Royal Page Regiment which is under the command of special colonel, his highness, the crown prince. In the past, it was one of the regiments under the 1st Division, King's Guard, and the 1st Army Region, respectively. It will be changed to be a unit directly responsible to the army or a subordinate unit and will not be required to report through the commander of the 1st Division, King's Guard, and the commander of the 1st Army Region. Special colonel, his highness, the crown prince will be the commander of the unit directly responsible to the army or the commander of the newest unit subordinate to the army.

The source also revealed that when the Regiment is a unit directly under the army, it will be the equivalent of an independent regiment. The army has plans to expand this unit from a regiment reporting to the army to be a division-level command reporting directly to the army like the 2d Cavalry Division and the Anti-Aircraft Artillery Division. The newly expanded unit will be comprised of at least two infantry regiments. It is expected that the unit will be expanded to "division" size in fiscal year 1988, that is from 1 October 1987 onwards.

When it has been expanded to "division" size, the commander of an independent division directly responsible to the army must be "a general," that is, "a major general" equal to the commanders of normal divisions. If special colonel, his highness, the crown prince remains the commander of the Royal Page Regiment, he will be promoted to "major general" along with the unit's expansion.

13217/13046  
CSO: 4207/173

## AMNESTY FOR CPM REBELS REVIEWED

Bangkok BANGKOK POST in English 24 Mar 87 p 4

[Article by Sermsuk Kasitipradit]

[Text]

GRANTING amnesty to insurgents of the Communist Party of Malaya (CPM) has long been in the thoughts of the Thai military — a move the Army considers a "must" if any attempts to wipe out their influence, which has prevailed for nearly four decades in Thailand's southern border area, is to succeed.

The rationale behind the proposal currently being considered by the military, is the same as using politics before military force of the 66/2523 — the policy adopted against the Communist Party of Thailand (CPT).

Another is simply that military efforts have not been effective in dislodging the insurgents from their hideouts tucked deep inside mountainous and inaccessible terrain.

"We cannot win the war against the CPM by military means. Political means are inevitable if we want to defeat them once and for all," Assistant Chief of Staff for Operations Lt-Gen Panya Singhsakda told the *Bangkok Post*.

According to Fourth Army Deputy Commander Maj-Gen Opas Pothipat, who chaired a recent seminar: "In past military campaigns we have only been able to destroy the CPM's camps but not its armed strength and structure so what we need is to review and correct our faults in past operations and start with a new idea."

Negotiations and attempts that would lead to amnesty for these

insurgents have been under way for the past five years and have gained the backing of former Fourth Army region commanders, namely Gen Harn Leenanond and Gen Wanchai Chitchamnong.

Both former commanders gave the green light for informal talks between the military and CPM cadres.

According to senior military sources, past and present talks centered on certain preconditions for surrender: the CPM request for land to settle in Thailand, a guarantee that they would not be sent back to Malaysia and permission to carry arms as a guarantee of their own safety.

While Thailand has always denied the condition to possess arms, the question of granting Thai nationality to the insurgents has been the main stumbling block, with the National Security Council being its most ardent critic.

This time, however, support for the move by Army Chief Gen Chavalit Yongchaiyudh has added weight to the overall proposal.

Military sources said that key leaders of the CPM 8th Regiment based in Sadao District of Songkhla Province — of which about 80 surrendered to Thai forces earlier this month — were brought to Bangkok to meet senior Army men, a move which indicates the seriousness of the military's top brass in going through with the proposal.

Even Prime Minister Gen Prem Tinsulanonda has been informed, sources said.

While Gen Chavalit believes that amnesty is the best way out, the problem of granting amnesty rests on two points: whether to send the CPM insurgents back to Malaysia or whether they should be given Thai nationality.

Thailand and Malaysia has a long-standing agreement that any CPM insurgent who defects or is arrested in Thailand must be handed over to Malaysian authorities.

The Thai military views this agreement as an obstacle for any CPM insurgent with Malaysian nationality to agree to surrender, as they fear that they may be turned over once they surrender.

A military intelligence officer estimates the number of armed insurgents to be between 1,500 and 1,800 of which 60 to 70 per cent are Malaysian.

"We can not solve this problem by asking CPM guerrillas with Thai nationality to surrender and not pay interest or be indifferent to those with Malaysian nationality and leave them in the jungle," said one officer.

Fourth Army Commander Lt-Gen Wisit Artkhumwong said an understanding must be reached with Malaysia over this agreement.

"Any move that would cause concern for our friends should be carefully considered. We have a close relationship with Malaysia and we hope Malaysia will understand our intentions in trying to solve a problem involving a common enemy," said Maj-Gen Panya Singhsakda.

Military sources said that talks about the return of CPM insurgents have been held between Thai and Malaysian officials. "Malaysia has not objected our move and will not demand the return of CPM insurgents with Malaysian nationality," said a military source.

But as an added guarantee to the insurgents and Malaysia, the mili-

tary are studying a proposal to settle the insurgents away from the border deep in Thai territory so that the CPM insurgents and Malaysia will feel safe.

This particular proposal is also designed to encourage more hard core insurgents to surrender, the military sources said.

The real problem area, as in the past, concerns whether to grant citizenship to the CPM -- an issue on which some senior military officers have voiced disagreement.

Some military officers believe that Malaysia should be included in such a move, reasoning that the problem could be solved much more easily if Malaysia itself agreed to grant amnesty, thereby sharing the burden of solving this problem.

Interior Minister Prachuab Suntrangkoon has proposed the idea to his Malaysian counterpart but they have remained silent on the matter.

Some of the military officers who disagree with granting Thai citizenship said that the move should not go ahead since Thailand is already burdened with unresolved problems concerning the Koumintang forces in the North, the Khmers along the eastern border and the Vietnamese refugees.

Instead of granting citizenship, an alternative being debated is whether to give the CPM insurgents alien cards allowing them to reside in Thailand. Such a move would be far easier and could be issued by order of the Interior Minister.

Meanwhile, talks between the military and the insurgents continue and while the military does not expect all the insurgents to surrender, they hope that others, namely those from the 10th and 12th regiments in Narathiwat and Yala provinces will surrender.

"We hope that they will follow the example of those in the 8th Regiment," said a military source, "that they would see it is better for them to peacefully settle here than staying in the jungle without any hope."



## COLUMNIST DISCUSSES REFUGEE ISSUE

Bangkok BANGKOK POST in English 23 Mar 87 p 4

[Article by Banluchai Srisongmuang]

[Text]

THE Thai people last week were stunned and felt as if they'd been slapped in the face when representatives of the US administration and legislature came out pointing an accusing finger at Thailand.

Having provided shelter for hundreds of thousands of refugees and displaced persons fleeing the three Indochinese states since 1975 for humanitarian reasons, and consequently shouldering social, economic and political problems, the Thai people can't but help feel bitter for being accused of mistreating a group of H'mong tribesmen who illegally entered the country from Laos.

The accusation is serious and hurts. The Thai people would not have felt a bit annoyed had the accusation come from the Soviet Union or Vietnam.

But the accusation comes from a world superpower — a country whose interference and activities in the internal affairs of Vietnam, Laos and Kampuchea have caused this continuous influx of refugees from those countries.

And that country should be responsible for all the fuss in this part of the world.

It is Thailand that has taken up 80 per cent of the refugees, regardless of how they came. As a country of first asylum, Thailand for so many years has carried out its humanitarian role, shouldered its share of the responsibility as United Nation's High Commissioner for Refugees (UNHCR) statistics show.

From 1975 till January this year, 551,608 refugees who sought first asylum in this Kingdom have been resettled, namely, 210,584 Kampucheans, 158,294 Laotians, 73,775 Hilltribe Lao and 108,955 Vietnamese (79,671 boat people and 29,284 who came overland).

Yet the January figures show that there are still 118,110 Kampuchean, Vietnamese and Laotian refugees (26,640 Kampucheans, 7,196 Vietnamese and 59,213 Laotian Lowland and Hilltribe people) in camps and centres around Thailand.

This of course does not include over 200,000 "displaced Khmers" camped on Thai soil along the Thai-Kampuchean border.

At first resettlement of Indochinese refugees to third countries received considerable attention from the world community. Many countries, including the United States, took responsibility by providing funds and assistance as well as selected refugees for resettlement.

But as years passed and the refugees that met resettlement criteria of the various countries became scarce, the world seems to have turned blind eye to the plight of refugees remaining in Thailand.

**TIME TO TIME**

We have from time to time been accused of mistreating refugees but this time the accusation comes

from our great American friends, who felt very much obliged to show sympathy for the H'mong tribesmen who'd entered Thailand illegally and were pushed back.

It is widely known that H'mong tribesmen in northern Laos formed very strong armies under the leadership of Gen Vang Pao to resist the Vietnamese and Pathet Lao forces.

Of course, the Americans made the best use of them by supplying them with almost everything necessary. Following the 1975 communist takeover in Laos, a number of the H'mong were resettled in the United States. But 59,213 of them are still here in Thailand.

Senior government officials say that the US has not seriously tried to resettle all the H'mong refugees still in Thailand and this has led to considerable problems for Thailand.

The presence of the H'mongs has made Thailand a target of Vietnam, which has always accused us of supporting these people as resistance forces operating to topple the Laotian Government.

American accusations against Thailand on this issue cannot be viewed in any other way except as an attempt to discredit Thailand, which is not a good thing to do to a friend.

Considering the many problems plaguing the US administration, such as the Iranian arms deal, the Americans may be trying to divert world attention to other issues — and this case is one of them.

The Americans are concerned about their own security, but they did not take the security concerns of others into consideration.

Concerning the refugees, the Thai people do not want their Government to shoulder the burden of the others because what it has

already done is more than enough.

The Thai people have the right to question why the Americans are so upset after receiving reports that Thailand pushed back a number of H'mong tribesmen and why they immediately labelled it a forced repatriation that could lead to incarceration, torture or even death.

They did not even take into consideration the fact that the tribespeople were illegal immigrants, that their presence in Ban Vinai Camp in Loei Province was covert, their activities suspicious, and that they were simply sent back to the other side of the Mekong River — and not intentionally into the hands of Laotian soldiers as described by a US congressman.

### NO INTENTION

It is interesting to note that while the Americans are so concerned with the plight of the H'mong in this incident, they have shown no serious intention in taking the rest of the H'mong in Ban Vinai Camp, totalling 41,919, for resettlement in the United States.

Thanks must go to Deputy Foreign Minister Prapass Limpabandhu for suggesting to Washington, through US Ambassador William Brown, that the US take half of the H'mong refugees in Ban Vinai Camp for resettlement.

Thanks to many other Thai officials who said the United States has overacted in this case.

What right does the US have to tell other people to do their bidding, and accuse others of seriously breaching human rights.

Does America's brand of human rights include the right to interfere in the affairs of other countries? No wonder they have made a lot of enemies, even among friends.

/9317

CSO: 4200/483

## UNEMPLOYMENT FIGURES DISCUSSED

Bangkok THE NATION in English 22 Mar 87 p 3

[Text]

**THE number of the unemployed is expected to reach 2.3 million by the end of this year, an increase of about 9.5 per cent from the end of last year, according to Deputy Interior Minister Chaleo Watcharapuk.**

Chaleo said the government is very concerned about the growing number of the unemployed and several measures have been devised to help the unemployed and new graduates find jobs.

Chaleo, who oversees the Labour Department, said there were 2.1 million unemployed people at the end of last year. He noted that the number of the unemployed was high when compared with only 500,000-600,000 during the last 7-8 years.

He attributed the increase to the adverse economic trends in the world that has hurt Thailand in general and the Thai agriculture sector in particular.

One of the measures designed to reduce the number of the unemployed is to extend the duration of compulsory education from six to nine years, beginning in selected state schools in the upcoming school year, Chaleo said.

Students in secondary schools will be taught practical skills suitable to the social and economic conditions in their regions. Students in vocational schools and teacher training colleges will receive more practical training; they will be encouraged to learn skills which could help them start their own businesses, he added.

Banjong Choosakulchart, director general of the Vocational Education Department, said vocational schools will give top priority to practical training by sending students to work as apprentices in factories and businesses outside the campus.

The students will also be taught elementary business management and marketing so that they may be able to start their own businesses after graduation, he said.

New courses that could help graduates find job such as tourism, publishing, manufacturing of plastic wares will be offered in vocational schools, he added.

Meanwhile, Deputy Agriculture Minister Suthep Thaugsuban said the government will speed up the work on land reform and designate new land reform areas in several provinces this year.

He said this move is part of the government's attempts to tackle the problems of poverty and unemployment in rural areas.

He said the government is trying to promote the new concept of overcoming poverty through increased productivity instead of increased production. People in the land reform areas will also be encouraged to diversify their crops, grow fruit-bearing trees, and raise cattle as well as fish and poultry.

The National Economic and Social Development Board (NESDB) has reported that during 1982-86 (the period under the fifth five-year development plan), 121 poor districts were able to improve their status and they are no longer classified as areas afflicted with "acute poverty."

The number represents 31 per cent of all poor districts which provided data for analysis by the NESDB, according to Sumet Tantivejkul, assistant secretary-general of the NESDB.

He said there were 172 poor districts in the Northeast but 57 of them have overcome "acute poverty" during the past five years.

In the North and the South, the number of "acute poverty" districts has decreased by 47 and 17 respectively, he added.

He cited increased agricultural productivity, more efficient use of land, and increased wages both inside and outside the agricultural sector as major factors contributing to the improvement in the socio-economic conditions in these poor districts.

/9317

CSO: 4200/483

RESISTANCE SENSITIVITY TO INTERNAL DEFECTIONS

Bangkok BANGKOK POST in English 27 Mar 87 p 4

[Article by Jacques Bekaert]

[Text]

A FEW weeks ago some 400 soldiers from the Khmer People's National Liberation Armed Forces (KPNLAF, the military branch of the KPNLF) arrived in Site B — a Sihanoukist camp near the Kampuchean border. It was, and probably still is, a sensitive subject.

When the KPNLAF were formed in 1979, the nationalist group was seen by most supporters of the anti-Vietnamese resistance as the best chance to counterbalance the communist presence in Kampuchea. In the minds of many supporters, the term "communist" also included the Khmer Rouge.

By the end of 1979 most of the small bands living along the Thai-Kampuchean border had joined the KPNLF (the political organisation had been officially launched in October 1979) and the leaders — President Son San and military commander Diel Del — were actively searching for weapons and financial support.

Among those who formally refused to unite their small forces with the KPNLF was a former Royal Cambodian Navy captain, Kong Sileach. A staunch Sihanoukist, he remained practically alone, with its Movement de Liberation National du Kampuchea (Moulinaka) and waited for the day Prince Norodom Sihanouk would agree to lead his own force.

Relations between the two nationalist groups, the KPNLF and the Moulinaka, were mixed and, at times, very tense. When finally a coalition was formed on June 22, 1982, it included three forces: The KPNLAF, the newly formed ANS (The Sihanoukist army supervised by In Tam since 1981) and the National Army of Democratic Kampuchea — the Khmer Rouge.

Defections from one group to another have been relatively infrequent. It was and still is strongly discouraged by almost everybody, because it would only add to the tension of an already fragile coalition.

It is no secret though, that hundreds of Khmer Rouge soldiers were willing to leave their army to join the ANS. A few did. Larger groups were later prevented from doing so.

Prince Sihanouk has always made clear that although he favours some form of merger between the two nationalist armies, he does not want to "steal" troops from the KPNLF. The only men openly encouraged to defect were the soldiers of the so-called Heng Samrin Army — the People's Republic of Kampuchea armed forces.

Cooperation between the three resistance groups exists, but not as much as one might expect of allies fighting a common enemy. Incl-

dents of rivalry are no less real than the occasional coordination. The Khmer Rouge is always blamed for problems occurring between them and either KPNLF or the ANS. Independent confirmation is almost impossible yet it is convenient to believe that the Khmer Rouge is the only one deserving the blame.

But the end of 1986 it became clear that large groups of KPNLF soldiers, probably tired of the factionalism and internal problems experienced by the Front, were ready to leave their army to join the Sihanoukists. Several hundred men — some from battalion 1305 — were involved. "If we don't accept them they will probably abandon the struggle," a Sihanoukist source said. Indeed some of the most reliable diplomatic sources indicated that the rate of defections was becoming high among the discouraged troops of the Front. A few men journeyed to Kampuchea and rallied with the PRK. Most simply left their weapons and joined their families along the border, or went back inside to resume a peasant life.

Of course KPNLF officials were less than pleased. One of the Front sections in Toulouse, France, issued a communique strongly denying the alleged defection in favour of the ANS. "According to reliable information, no defection took place" it claimed, adding that "the KPNLAF was expanding" and had "no difficulty in gaining recruits." It also mentioned "secret bases" in Kampuchea.

But the defectors do exist. We saw some of them during a recent visit to Site B.

Prince Norodom Ranariddh, the commander-in-chief of the ANS, asked his father, Prince Sihanouk,

for instructions as to how he should handle this complex case.

"I trust you to handle this most delicate affair in agreement with KPNLF leaders," answered Sihanouk in a telegram (several telegrams were made available to this correspondent and a few have just been published in the last issue of Sihanouk's own "Bulletin Mensuel de Documentation").

Sihanouk nevertheless added a few instructions of his own. "Even if we have to send back to the KPNLF the weapons brought by the soldiers who joined us, we have to grant asylum to the soldiers and the refugees. We cannot send them back to their former base because the right of asylum is sacred and human rights must be respected."

Sihanouk also explained that if some of the newcomers could be trusted, then they should receive new weapons. He even suggested that Prince Ranariddh ask "the France of Jacques Chirac" for arms.

It seems that during a meeting with Ranariddh on February 9, 1987, General Sak Sutsakan, the KPNLF commander-in-chief, asked for the return of his men. Or at least of the leaders of the defectors, so that they could be punished. Following his own instructions, Ranariddh refused. Only the weapons could be sent back to the KPNLF, he said.

Finally an agreement was reached and Gen Sak promised to assist families of the 400 soldiers to join them at Site B.

While some members of the ANS consider this entire affair a sort of "victory" for the Sihanoukist army — now regarded as the second force in the coalition — others are more reluctant. "Site B is a good camp

How many newcomers, used to a different lifestyle, could it take?" asked one Sihanoukist official. More than a thousand civilians, mostly women and children, have moved from Site 2 to Site B over the past four months. As for the ANS, "it has its own problems. Can it really absorb a large group of soldiers who, by the time they join us, are were already leading a marginal life?" asked another Sihanoukist official.

About weapons and France: the subject of weapons is mentioned frequently in the set of telegrams exchanged between Prince Ranariddh and Prince Sihanouk in February and early March 1987. While regular contact exists between France and the ANS, informed French sources said recently in Paris that sending weapons to the Khmer resistance was only "a very remote possibility," and was not really being considered at the moment. In one of the telegrams, Prince Ranariddh informs his father of his intention to ask Paris for an extra 2,000 "weapons and ammunition," but he also suggests putting a similar request to the People's Republic of China — the main arms supplier of the Kampuchean resistance. Sihanouk cabled back that he had himself — in Peking — raised the subject of weapons delivery by France with Mr Claude Martin, one of Jacques Chirac's advisers. And Sihanouk adds, "You (Ranariddh) are greatly correct in thinking to humbly ask the glorious and generous PR of China for new assistance in weapons and ammunition" which seems to indicate that Mr Claude Martin's — and the French government's — answer was less than positive.



## POLITICAL REPORT OF SIXTH NATIONAL PARTY CONGRESS DISCUSSED

Hanoi LAO DONG in Vietnamese 1 Jan 87 p 3

[Article by Luong Dan: "Some Thoughts About the Political Report of the Sixth National Party Congress: Great Achievements of Revolutionary Thinking"]

[Text] Right after the closing of the Sixth National Party Congress, I happened to meet an elderly party member who had been fighting on behalf of the party since its creation. I was awestruck by what he said to me: "We may see this political report as a second political doctrine, after the first one drafted by Comrade Tran Phu in 1930." Whether or not this comment is scientifically accurate needs further discussion. What is beyond any doubt is that, after it was approved by the Sixth National Party Congress, this political report is a lodestar for us communists, workers, and people in our endeavor to march forward in the most difficult phase of the transitional period, lasting at least until the end of the century.

Let us look back at the last 10 years since the whole country embarked on the path of socialist revolution and reminisce about our search for the correct way and all the resulting frustrations. The price paid was dear, and along with certain successes, we did experience failures and shortcomings. It was not a sinecure to bring an economically backward country to the status of a socialist state. Mistakes in perception as well as in reality in the last 10 years undeniably did not bring us closer to our goal, but on the contrary, caused us to stray away from it.

With the political report, we can believe that in our search for the correct solution, although the price was dear (there was no other alternative), there have been some encouraging achievements.

If we read the political report carefully, we can see the following fundamental points of the present socialist revolution strategy of our country.

First, the road to socialism in our country is closely linked to total, effective cooperation with the socialist countries in the world, chiefly with the Soviet Union. As the report put it, that consists in the integration of the strength of our people with the power of modern times in a set of new

conditions. With a small-production basis, our country is able to bypass the capitalist development phase and directly attain socialism, because our revolution is taking place in a worldwide transitional era in which the determining factor is the community of socialist nations, with the Soviet Union as the main pillar. In other words, socialism in our country cannot but be a product of total cooperation between our country, in the capacity of a member, and the whole community of socialist countries. Or, to be more accurate, cooperation and linkage with the socialist community is a premise and a sine qua non condition for our country to move toward socialism. This concept must permeate the whole system of perceptions and actions of our people in all fields of activity.

Second, in the first phase of the transitional period, the party's strategy must stem from reality, paying due respect to the actual situation, and from objectively defining party actions. The mistakes and failures suffered in the recent past were due primarily to a swerving from reality, to being biased by subjective considerations, and to disregarding the law of social mobilization in the transitional period. The current party strategy is aimed at building a more rational production structure, with emphasis on the composite nature of the economy in the transitional period, and at the same time, at fundamentally changing the economic management structure, the importance of which is placed on the same footing as the economic measures themselves. It may be said that it is the application of Lenin's new economic policy in the actual conditions of our country.

Third, we must build and develop the right to ownership of the working people and spread the concept, "the people are the base." We must resolutely overcome all forms of bureaucratism, eliminate undeserved privileges and benefits, and carry out the motto, "the people must be aware, the people must provide their input, the people must act, and the people must control." The law must be strictly enforced; nobody may abuse his authority; and all violations regardless of who commits them, must be publicly denounced and not internally corrected. Public opinion must be respected; open criticism in the press is a legitimate right of each citizen and must be promptly carried out. We must restore social order and justice.

Fourth, we must strengthen the party to enable it to provide leadership and enhance its combativeness in the new revolutionary phase. Past shortcomings in party building, especially in ideological and organizational work, were the primary cause of serious mistakes and failures. Therefore, in the current party strategy, building has to be elevated to its primordial position and must be considered as a decisive requirement for the successful accomplishment of new party policies.

The above is the reformed strategy of the party at present. Its objective has been set and its policies clearly defined. Likewise, important measures have been taken, and we have found a way out of the endemic problems.

However, as in any other change, this change in party policies must not be limited to accepting a new concept. The intrinsic value of change lies in deeds.

We know that this change--a change harmoniously wedded to reality--can only be implemented through a prolonged and fierce struggle, because the antisocialist forces in society and the bureaucratic and conservative elements in the official mechanism will not hesitate to do everything in their power to protect their positions and their own interests, and because the external enemy will continue to sabotage the Vietnamese revolution. Let there be no illusions in our minds that the change will in any way be smooth and easy. But as Comrade Nguyen Van Linh, general secretary of our party, put it in his closing speech at the Sixth National Party Congress, "There is no force in the world that can impede our march forward." With this iron will, all workers will certainly make the great ideas in the political report a reality.

9458/9312

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## ARTICLE DISCUSSES FAILURE TO OBSERVE OBJECTIVE LAWS

Hanoi TRIET HOC in Vietnamese Sep 86 pp 42-54

[Article by Nguyen Dang Quang: "The Lesson Learned From Respecting the Objective Laws"]

[Text] General Secretary Truong Chinh has mentioned three major lessons of experience which we should pay a special attention to as we consider and contribute ideas to the 6th Party Congress draft political report. One of these lessons is the one about respecting the objective laws. How do we make all echelons and sectors have a keen awareness of this lesson in order to avoid continuing the mistakes for which we have paid a price? It is difficult to admit mistakes and it is more difficult to be able to point to the real sources of mistakes, but to be able to correct these mistakes is even more difficult. For instance, the 5th Party Congress had pointed out that the great shortcoming in connection with our socioeconomic development in the 1976-1980 period was the fact that our policies had been subjective and hasty and our management conservative and sluggish. However, since the 5th Party Congress we have been committing the same mistakes--being subjective, hasty, conservative, and sluggish--in almost all major aspects of society. We can say here that we have learned a lesson from experience.

We have gone through 30 years (if we include the year of 1954 in the North) of a process of getting to know and applying the laws of socialist revolution and building socialism in the period of transition in Vietnam. Then what are the real situation and characteristics of this process?

We can answer this question by the historical approach so as to analyze the right and the wrong from the angle of the Marxist-Leninist world view and methodology. Our achievements and mistakes in connection with applying the objective laws originated from actual historical circumstances and bore special traits. If we do not clarify such circumstances and characteristics, it will be difficult to correctly and keenly determine the lesson to be learned in order to adopt the necessary measures to promote or correct them and to avoid committing them again.

In the last 30 years we reached a degree of maturity in grasping and applying the social laws. It was reflected in the party's theoretical documents and in other theoretical works, and at the same time was affirmed by our achievements

in the construction and defense of the fatherland. More recently this achievement has been revealed most obviously in the agricultural economic field.

In the same period, we violated in a quite serious manner many objective laws, a fact that has made our socioeconomic life deteriorate, has created trouble for it, and has heavily decreased the prestige of the party and state. Because we had not respected the laws of the learning process, we made mistakes in evaluating the situation and defining our objectives in the 1976-1980 and 1981-1986 5-year plans. Because of our wrong perception and failure to respect the economic and technical laws, we made long-lasting mistakes in the economic structure, economic management mechanism, and circulation and distribution. Because of a poor knowledge of and a lack of respect for the sociopolitical laws, we made many mistakes in the management of the state and society, and more seriously, were out of touch with the people and made them angry. And because we had a poor knowledge of the laws about organization and cadres and violated the principles regulating party activities, particularly the principle of democratic centralism, we committed very grave errors in connection with leadership, organization of the state machinery, and education of cadres.

Why does a party that is staunchly revolutionary and hardened by combat experience like ours encounter such a lack of respect for the objective laws? There are many specific reasons. In this article I will try to suggest and analyze some of the most profound reasons having a direct significance for the ideological education of our cadres and party members. They are the reasons relating to the world view, perception of realities, and thinking and methods.

## 1. Origin of World View

It is not true that we have violated the social laws because of a lack of knowledge of such laws (this can always happen in the case of unknown laws). The principal laws related to the capitalist society, socialist revolution, and socialism were discovered (not totally, of course), and we have been able to accept them right at the beginning of the transition period.

From the early 1960's we have published many documents explaining with relatively great details these laws, including the mechanism for their application. The large majority of cadres and party members is aware of Stalin's conclusions (in 1953) about the objective character of the socioeconomic laws in socialism. We can say that our knowledge of the social laws was not that poor, nor was it very wrong at the time we were starting our new undertaking. We can hardly say that we lacked self-consciousness in this matter.

Then how can we explain the situation in which, besides the remarkable achievements, we have violated in a serious and prolonged manner almost all of the social laws which we wrote books about and taught to hundreds of thousands of people? Furthermore, where most violations took place was not at the basic level. Right from the beginning we talked quite a lot about the objective laws and materialism, but in the management of the economy we denied the objective laws and got involved in voluntarism. On the one hand, we recognize



that society develops in accordance with the objective laws, but on the other, we want to manage society in accordance with subjective will power and aspirations. That is the contradiction in the world view of a rather large group among us as we march into socialism; the world view based on dialectical materialism, which is being taught and disseminated widely among cadres and party members and in other strata of the population, is different from the old world views of various kinds, which we have not yet completely broken away from or have only partially eliminated.

We all know that to break away from the "traditional" world views in order to totally switch to a new kind of world view is not a short, simple, and easy process without contradictions and sufferings. To build the world view based on dialectical materialism for an entire nation, in which the great majority of people are small producers, is even more involved and extremely complicated. V.I. Lenin himself made this observation: "The backward or slowly developing economic relations regularly lead to the situation in which there appear in the workers' movement some people who can apprehend only some aspects of Marxism, some specific parts of the new world view, or some particular slogans and policies, while they cannot definitely break away from all the traditions of the bourgeois world view in general, and of the bourgeois democratic world view in particular." (1)

The "traditions of the old world views," under the conditions of the socialist revolution, often reappear in the special form of leftist infantilism. We do not have any appropriate studies and evaluation in order to effectively overcome and prevent this kind of world view.

On the other hand, to grasp the new world view cannot be achieved by learning the Marxist-Leninist theory in schools and classrooms. To have a knowledge of dialectical materialism does not ensure that we truly have the world view based on dialectical materialism. Furthermore, "To recognize it by word of mouth is one thing, and to apply it to a specific surrounding, to a particular field of study is another thing." (2)

These world view contradictions can exist just because of prolonged mistakes in the economic management mechanism and in planning. We all know that the economic management mechanism and planning task--the most important characteristics of self-consciousness in socialism--both play the role of managing and regulating society's production on the basis of an overall application of the economic, natural and technical, and sociopsychological laws. And yet:

- The bureaucratic centralism and state subsidies being maintained and consolidated for decades have limited and denied series of objective laws.

- Almost all of our plans in the past were simple ones that reflected our needs and aspirations more than the realities and objective laws. These plans usually left out the economic laws in order to solely serve the state subsidy mechanism because the purpose of planning mostly was to distribute the foreign aid we received. (The situation has begun to change somewhat only since 1952.) Why did this situation arise? The reason was that in our country the proletarian dictatorship was born primarily not as the result of the working

economic laws; even after this dictatorship had appeared, the economic laws serving as its foundation did not appear right away and for a long time did not fully work yet. In our country, only after the proletarian dictatorship had begun to work out of self-consciousness, the laws of socialism found the right conditions for their appearance and for showing their effects. This dictatorship was very strong and enjoyed a very great prestige. Therefore, in many cases, people were abusing this prestige and power, imposing their will on economic activities and the masses in the name of proletarian dictatorship, managing the economy mainly through administrative orders in the name of the principle of centralism and unity, and disregarding the laws and interests, or their effects. The reason why voluntarism was able to resist the objective laws for a long time was that it received support from a rather large source of foreign aid and at the same time was justified and further consolidated by the protracted-war factor and maintained by compromising resolutions and feudal leadership behavior.

### Origin of Perception of Realities

Our violations of the laws had to do with the characteristics of the perception of realities in a specific historical stage in our country.

We were able to grasp the laws of social development by starting not from our country's social realities but from the Marxist-Leninist theory and the experiences of other socialist countries, first of all the Soviet Union, and by learning from and consulting with technicians of friendly countries.

To grasp the laws in theory and to take part in and witness the observation of these laws in practice were two totally different things. That was why in the beginning and for a long time we were able to grasp the major social laws in the form of abstract theory, in its idealized form.

In addition, we must recognize the fact that many "matters having the nature of laws" of socialism which we knew had been drawn by the friendly parties from their own experience in party building in the 1950's and 1960's. Now in light of their richer historical realities, the same friendly countries have now "revised" or "abandoned" the formulas that had failed the test of time. In the meantime, we continued to act in accordance with old-fashioned concepts, were satisfied with old knowledges, were slow in renewing our perception, and even remained conservative.

Under such circumstances we cannot talk about the ability to apply the laws to the realities of Vietnam. Only when we grasp the laws in their numerous historical manifestations can we master them. Today the textbooks that we use to disseminate the Marxist-Leninist theory all present the basic laws of socioeconomic development in the form of an abstract theory. That is a major weakness that creates the danger of being isolated, even the danger of a conflict between perception and application of the social laws, failing to practice what one preaches.

In order to perceive the laws in their actual historical manifestations we must go through the realities of Vietnamese society and pay attention to doing

things on a trial basis, reviewing our experiences, and generalizing the theory (regrettably we did not step up this kind of work). Lenin said that we should go from a subjective concept to an objective truth by the way of realities. What were then the realities of Vietnam--from the standpoint of its being the place to express the laws of socialism--in the last few decades? We can mention these two characteristics:

One, these realities from an objective standpoint contain many abnormal, coincidental, and even untrue factors, which make the economic laws of socialism manifest themselves in a noncharacteristic form, a rather excessively contaminated form. This situation cannot help making us, sometimes out of misunderstanding, attach to the laws the "achievements" they do not actually make.

Two, the social laws can be carried out only through the masses' creative and positive activities. In these activities, the laws will reveal the mechanisms for their working and application, as well as their being linked with creating contradictions and resolving them.

It is regrettable that, because of the prolonged mistakes we have made in the economic structure, the old economic management mechanism, and our planning task, this creative role of the masses has been greatly reduced and sometimes even turned around to become a negative aspect: The masses have become dependent on others and inactive. Lenin said that socialism could not be the result of decrees imposed from above. The spirit of socialism does not tolerate being too mechanically administrative and bureaucratic. A lively socialism is the creative undertaking of the masses themselves. We also can say that in regard to the existence and action of the social laws. However, we have often seen in the past that the masses remained silent and played a passive role while the revolution seemed to lack an energetic movement. This has slowed down the observation of social laws and hence has decreased the pace of our perceiving and applying such laws.

### 3. Source of Thinking, Methods

The most obvious signs that indicate that one or more socioeconomic laws have been violated are:

- Deteriorated production.
- Worsening standard of living.
- Working people do not show unanimity, nor do they work with enthusiasm.
- Negative aspects increase.
- Legal economic activities are far from rational, and vice versa.

Even in the years of the resistance against America, those signs already appeared quite frequently in our country's real socioeconomic situation. But the fact that the volume of foreign aid was quite large and the state-subsidy system was widespread temporarily overshadowed or delayed our efforts to

resolve the contradictions that really existed (for instance, the weakening state of the socialist production relationships in the countryside prior to the product contracting movement), or forced a solution of such contradictions on life itself through such spontaneous acts as "climbing the fence," "unauthorized subcontracting," and so on.

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Not until the years of 1981-1982 did the unyielding realities of life force us to think of the laws, to resolve the internal contradictions of our country. The reason was that at that time the outside factors that had been overshadowing or delaying a solution of the bitter contradictions of the transitional period were no longer as intense as before. At that time we began to recognize a harmful ill--the tendency to depend on others and to wait.

We again had to wait for 3 more years, until the 8th Plenum of the CPV Central Committee (5th term), before we actually were able to point to the most dangerous ill in our country's economy--bureaucratic centralism and state subsidies then getting more widespread--and to arrive at the decision that we must "Put an end to managing the economy mainly with administrative orders and switch to a period of managing the economy on the basis of correctly perceiving and applying the objective laws."

Why did we have such a slow perception and action? The reason was that weaknesses existed in our thinking and methods. Prior to Resolution 6 (4th term) and Resolution 8 (5th term), whenever we reviewed the situation and issued a new resolution, we usually did not fully evaluate the real situation and instead had the tendency to try to find some examples that would show "the situation has progressed nicely" "in the forward direction" in order to prove that we were doing things correctly in accordance with the objective laws. Quite a few examples of progressive action which we had cited (to prove that we were really acting in accordance with the laws) actually were of the kind of "progressive examples of living on state subsidies," for they had not originated from the law of development, nor from self-development. Consequently such examples were "unrecognizable," nor were they "transformed" into acts of entire provinces and of the whole country. Tan Hoi Cooperative which we had planned to build as a model in the movement to set up cooperatives in the South (in 1975-1977) was one such example. This pointed to a very great weakness in our thinking: The metaphysical factor remained very obvious, while the thinking method heavily concentrated on describing experiences, with in some cases the outward appearance being used to prove the nature of things.

Such phenomena as making false reports, lying to one's superiors and cheating one's subordinates, preferring achievements to admitting shortcomings, preferring outward displays and showoffs, and so on are all unknown to the Marxist-Leninist dialectical thinking. Only until Resolution 8 (5th term) was issued did we openly admit that for a long time as we were doing economic work we had been making "false plans," maintaining "false balance" and "false accounting," "setting false prices," "earning false profits but bearing real losses," and so on. It will be very dangerous if we do not firmly cure this illness of "lying to others" and "lying to ourselves." If we still tolerate this ill practice (regrettably it has by now become a custom, a habit), the



more people learn dialectical materialism, the more reason they will have for using sophism and eclecticism to justify mistakes.

As V.I. Lenin once reminded us, if we wanted to prove an objective character or law, we should not cite any isolated examples or scattered documents (because the phenomena in social life are extremely complicated, people always can find scattered examples and documents, no matter how many are needed, to prove a certain argument) but rather use entire sets of documents related to the same topic, i.e., the combined documents that could not be rejected. (3)

It is obvious that such shortcomings in our thinking and methods have put us in a situation of self-contradiction: We always talked about observing and applying the laws, but in reality we have been violating the laws for a long time and in a serious manner; we talked much about self-consciousness and doing things in accordance with the laws, but in practice we very clearly expressed a spontaneous conduct; we always talked about materialism, but we actually heavily relied on voluntarism; we talked much about being revolutionary, creative, and scientific, but in reality we were very dependent, conservative, and sluggish, and also maintained a work mechanism based on "authoritarian patriarchy," "disregarded discipline," "favoritism," and "leaving work unfinished."

Is it a characteristic that needs to be stressed when we discuss the question of perceiving and applying the social laws in our country in the first stage of the transitional period? On that basis let us consider reforming the contents and methods of teaching Marxism-Leninism, first of all philosophy, to suit more closely the methodological world view and the present level of thinking of our cadres and party members, thus contributing to overcoming the situation of "blindly following the books," "teaching dogmatically," "explaining accurately but wrongly," and "words do not match deeds."

We think that the first and last lesson of studying and learning from Marxism-Leninism is "Look straight into the truth, accurately evaluate the truth, and tell the truth." According to the world view based on dialectical materialism, it is the start for any correct perception and action, in which there is the question of correctly perceiving and applying the objective laws.

#### FOOTNOTES

1. V.I. Lenin: "Complete Works," Vol 20, Progress Publishing House, Moscow, 1980, p 77.
2. F. Engels: "Ludwig Feuerbach," Su That Publishing House, Hanoi, p 55.
3. V.I. Lenin: "Complete Works," Vol 27, Progress Publishing House, Moscow, 1980, p 380.

5598

CSO: 4209/322



## EDITORIAL CALLS FOR TIGHTER PARTY CONTROL

Hanoi NHAN DAN in Vietnamese 17 Jan 87 p 1

[Editorial: "Examine Task of Strengthening Party Control Work"]

[Text] Distinct success has been achieved in the recent past in such party control efforts as urging all levels and sectors and all cadres, party members, and the masses to carry out tasks of the party and the state, control implementation of resolutions and adherence to party discipline and state law, oppose negative phenomena, and raise revolutionary virtues and qualities of party members and cadres. More attention has been given to preventing, stopping, uncovering, and punishing breaches of discipline and resolving letters of accusation against cadres and party members. Control work was also effective in providing service to party congresses at all levels, helping in the selection of congress delegates, contributing to the promotion of political activities and criticism and self-criticism, and clarifying cases of cadres and party members who have made mistakes or have shortcomings.

Nevertheless, control work is still lax in many places and on many echelons, leading to a situation in which many resolutions and directives of the party are not being completely carried out, negative phenomena are developing in the party, and there is an element of wayward and tainted cadres and party members.

The need to expand control work is important to current party-building efforts. The political report at the Sixth Party Congress emphasized: "Control is an essential leadership function of the party, an activity important to the effort to organize performance. It is also an effective measure for fighting the disease of bureaucratism. Every organization, from party and state agencies to mass organizations, and every operational area, from economic and social activities to national defense and foreign relations, without exception, must be placed under the control of authoritative party organizations. The Central Committee and the various party committee echelons must keep a firm grasp of control work and how results of control efforts are used to guide the execution of resolutions. In each period, every party committee echelon must have a program of control focusing on essential activities and key units, employing and expanding the role of control committees and the various committees of the party, and closely coordinating

party control with state inspection and control by the masses. Control must lead to a clear conclusion and correct punishment."

Control work must concentrate on promoting successful implementation of the resolution of the Sixth Party Congress, raising the quality of cadres and party members, and continuing to clarify and resolve cases of cadres and party members who have shortcomings uncovered by the masses during criticism and self-criticism drives. Efforts must also be concentrated on controlling party members (including members of party committee echelons on the same level), carrying out party regulations with the aim of implementing the principles of party organization and activity and implementing party discipline, and laws of the state to strengthen the character of party members. Efforts must be intensified to control imposition of discipline, ensuring that discipline is imposed fairly, accurately, and promptly. For the immediate future, control will be focused supporting the three economic target programs, supporting "the drive to purify and raise the stamina of party organizations for struggle; purifying and raising the effectiveness of state management machinery; and routing and eliminating negative phenomena, strengthening social relations and implementing social justice...."

Party control work must be altered on the basis of new viewpoints of the party in order to raise operational quality.

Control work serves the functions of promptly discovering strengths and weaknesses, preventing and stopping negative phenomena, enhancing and perfecting the party line and policies, and correctly evaluating organizations and ranks of cadres and party members, so it must be carried out regularly, and the entire party, every party committee echelon, and every party member must give it most diligent attention. The control committees at various echelons just streamlined at the congresses at each level, which have primary responsibility for control work of the party, must rapidly stabilize organization, adhere to their mission and functions, and raise the capabilities and quality of cadre ranks to perform the new mission.

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CSO: 4209/295

## EDITORIAL CALLS FOR HEIGHTENED REVOLUTIONARY QUALITIES

Hanoi NHAN DAN in Vietnamese 20 Jan 87 pp 1,4

[Editorial: "Demand That Morality, Revolutionary Qualities of Cadres, and Party Members Be Raised"]

[Text] The Secretariat of the CPV Central Committee has released a directive on holding celebrations in honor of the 57th anniversary of the founding of the party on 2 March. This commemoration has the most important significance and should be held in the spirit of renovation and responding to the need to expand party-building as set forth in the Resolution of the Sixth Party Congress.

The Resolution of the Sixth Party Congress clearly stated, "Party building that is truly comprehensive in a party in power with the heavy responsibility of successfully leading the entire people implements two strategic missions. Strongly building the party, politically, ideologically, and organizationally, is the decisive element in developing the revolution in our country."

In order to raise the capability and strength of the party for struggle, the Political Report at the Party Congress stated six tasks: to reinvigorate thinking and raise the revolutionary qualities of cadres, party members, and the people, which is the main task of the ideological mission; to reinvigorate cadre ranks and perfect leadership and management agencies; to reinvigorate methods of working and maintain principles of organization and activity within the party; to raise the quality of party members and fight against the appearance of negative phenomena; to increase the fighting stamina of basic organizations; and to increase coherence and unanimity within the party.

The directive of the Secretariat of the CPV Central Committee emphasized that in activities to commemorate the 57th anniversary of the founding of the party, the essential requirement is education to raise revolutionary virtues and qualities of cadres and party members according to the teaching of Uncle Ho: "an industrious, frugal, and honest administration, just without partiality," making practical preparations for carrying out in the immediate future the movement to purify and raise the spirit of struggle in all party organizations, to purify and raise the management effectiveness of state machinery, and to rout and eliminate all negative phenomena in society.

It is an opportunity for each cadre and party member and each basic party organization to examine itself and look squarely into its strong points and weak points and its strengths and weaknesses to correctly evaluate its quality and true condition and set forth concrete measures to strive to make each party committee echelon, from chapter committee on up, pure and strong and to make party members worthy of being communists, loved and trusted by the people.

The criticism and self-criticism drive preceding last year's party congress achieved some preliminary results in the education of cadres and party members to uphold revolutionary qualities, overcome errors and shortcomings, and make positive contributions to achievements in all congresses, especially in the matter of selecting personnel. But we must not stop there. On the occasion of the anniversary of the founding of the party, we must review efforts to correct individual and collective shortcomings that turned up in that criticism and self-criticism drive and continue to finish up incomplete work with the aim of raising revolutionary qualities and virtues in cadres and party members. On the occasion of this anniversary, exemplary party members should be recognized and outstanding individuals meeting qualifications should be accepted in the party.

Party committee echelons with direct responsibility for guiding party organizations and state agencies, the foremost of which are inspection, public security, and courts, must quickly investigate and punish deviant and spoiled cadres and prominent cases of corruption and grand theft of socialist property that have been uncovered, resolve cases of shortcomings on which no action has been taken for a long time, and resolutely eject from the party individuals without the qualifications for being party members.

Ties must be strengthened between the party and the masses, and the diseases of bureaucratism, authoritarianism, and aloofness from reality must be resolutely wiped out. Leadership cadres at all levels and in all sectors, from the district up, must go down to the basic level to make contact and converse with the masses, listen closely to the opinions, thoughts, and aspirations of the masses, obtain observations from the masses on whether party members and grassroots party organizations are pure or not, and discuss with the masses solutions to life's practical problems.

Education to raise the revolutionary virtue and quality of cadres and party members on the occasion of the anniversary of the founding of the party must be closely guided by all party committee echelons, must be strictly and resolutely carried out, and must realize practical results; it must not be done perfunctorily, formalistically, or without follow-up.

This is an important activity no party member should miss. Conducting this activity well will contribute to good preparations for launching "the drive to purify the party, raise the stamina of party organizations, purify and raise the effectiveness of state management, and rout and eliminate negative phenomena."

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CSO: 4209/0295



## MEASURES TO IMPROVE CIRCULATION OF GOODS DISCUSSED

Hanoi NHAN DAN in Vietnamese 21 Jan 87 pp 1, 4

[Editorial: "Expand Circulation of Goods"]

[Text] Recently, some localities such as Hanoi, Haiphong, Quyang Nam-Danang, and Ho Chi Minh City began deregulation of the circulation of goods. What they did was to allow farmers and producers in outlying areas to bring their extra goods, chiefly agricultural and food products and consumer handicraft products, to sell in inner city markets, thus eliminating local checkpoints that obstructed the free flow of goods and deliberately divided the market. In cooperation with related sectors, localities, and basic units, some functional agencies solved problems regarding price, cash, shipping and receiving procedures, transportation of goods, and wholesale and retail operations in a timely manner. Products and goods moved faster between production and consumption areas, gradually removing that unwarranted congestion that affected certain areas and certain goods. Due to this improvement, many localities could not only ensure a relatively sufficient amount of supplies for the first quarter, but were able to make ready a substantial volume of staple commodities to meet the people's needs for the upcoming lunar new year.

Although some progress has been made, generally speaking, goods circulation in the national and local markets is still plagued with unnecessary congestion and market compartmenting. In not a few localities, it is not unusual to find four to five checkpoints on a stretch of road a few hundred kilometers long. Many farmers and handicraft workers taking their extra products to the market to sell are taxed two or three times, not in accordance with state policy, but under locally instated rules. Many socialist commerce organizations are puzzled or paralyzed because they have to wait for price determinations, for cash, for convertible goods, and for transportation and other cargo hauling means. Due to congestion in circulation, surpluses of vegetables and other food items in northern delta provinces, and of rice and beans in southern provinces are bottlenecked and cannot be transported to other cities, industrial zones, and localities in the country. While some coastal provinces have surpluses of millions of liters of fish sauce, thousands of tons of salt and dried fish, other midlands and mountainous provinces suffer an endemic shortage of these commodities. Likewise, while many rural and mountainous localities are plagued by a dearth of industrial consumer goods, such as home appliances and readymade clothing, in some cities



and towns those types of goods are abundant and are even displayed for sale on sidewalks and city streets. Movement of significant amount of goods purchased by the state at production sites lags behind because of problems in transportation and distribution.

A resolution of the Sixth National Party Congress says: "To increase rapidly the volume of goods in circulation, we must broaden the system of transportation and distribution of goods, eliminate restrictive measures, and put an end to the practice of restricting the market in administrative boundaries." Expanding the transportation and distribution of goods is a permanent demand of production, as well as an immediate and urgent measure needed to reestablish order in the socialist market, to contribute to easing the tension and to curb the price skyrocketing caused by the shortage of goods. The market must be appropriately organized within the framework of our national economy, which at present has several components. In addition to the state-operated and collective components which are predominant, there are also the small-goods production component operated by individual farmers and handicraft workers and the private capitalist component. Recently, with the new policies of the party and the state within the framework of the socialist economy, home economics has begun to produce a substantial amount of goods for society. Therefore, in addition to the circulation of goods handled through the channel of state-operated and collective organizations, there is also a circulation of goods traded directly between producers and consumers, and another circulation carried out by private businessmen operating in both urban and rural areas.

By encouraging production and instituting an adequate market policy that guarantees the smooth circulation of goods, we must be able to mobilize farmers and small producers to put their utmost efforts into producing goods and providing the socialist market with an abundant additional supply of various small products, from a green pepper, a bunch of vegetables, a small crab, a bamboo toothpick, to other staple commodities.

Market management must be carried out with a view to ensuring the rapid circulation of goods from the production to the consumption areas, providing directly the best support to production and to the people's livelihood, and advocating the healthy participation of the various components of the market, of which the socialist commerce apparatus plays a leading role. With respect to private businessmen sharing in the circulation of goods, it is the clear-cut policy of the party and the state to eradicate private commerce, as well as to severely punish hoarding and smuggling. In regard to free small businesses, the question is not their elimination through administrative order, but the institution of appropriate measures to rearrange, guide, reform, and use them in areas where socialist commerce organizations cannot do a good job or are not needed to participate, in order to actually turn them into a reinforcement force in support of the socialist commerce sector.

The decisive factor in the expansion of the circulation of goods is the utmost effort of state-operated and collective commerce organizations in carrying out correctly the socialist commerce system, and in accomplishing well the tasks of obtaining goods, distributing it, and rapidly allotting it according to plan. This can only be accomplished through the constant attention of various levels and sectors in the whole process, especially in providing

transportation means and cash, and in determining prices in an appropriate and timely manner. On the other hand, the commerce sector itself needs improvement. There should be a reorganization and an appropriate assignment of tasks between goods sectors and localities, between central and local agencies, state-operated commerce organizations and marketing cooperatives, and between wholesale and retail outlets. Unnecessary intermediaries must be eliminated, and negative phenomena must be resolutely dealt with. The whole array of those constructive measures will create an all-embracing network that will make the marketing of the producers' products and goods more convenient. It will lay the groundwork for a far-reaching circulation of goods throughout the whole country, contributing to production development and stabilizing the people's lives.

9458/9312

CSO: 4209/297

## HANOI STATE BANK RELAXES ACCOUNT, LOAN REGULATIONS

Hanoi NHAN DAN in Vietnamese 12 Mar 87 pp 1, 4

[Unattributed article: "New Hanoi Municipal Bank Regulations Create Favorable Conditions for Production and Business of Family, Individual Economies; Accounts Opened, Withdrawals Made Without Budget Plan or Limitations; Precious Metals Purchased at Reasonable Fair Market Prices With No Questions about Source"]

[Text] The Hanoi Municipal State Bank has instituted new regulations on opening and using accounts and lending capital, providing convenience in the production and business process of individuals, family economy and service sectors and trades like the new regulations of the city. To create new capital for the producer and businessman, the municipal bank has also begun the purchase of gold, silver and precious stones with cash at reasonable prices with no annoyance to the seller.

The specific regulations are as follows:

1. Individual producers or those engaged in family economy may open accounts at the closest government thrift bond account, credit cooperative or ward and district state bank, with credit accounts to make deposits and settle accounts in other banks and to borrow capital when necessary, depending upon the nature and size of their operation.

--Those engaged in a small-scale operation with no need for dealing with the bank in marketing relations may open accounts with government thrift bonds or credit cooperatives.

--In cases (individuals or organizations) of widespread trade with the need to purchase raw materials and to sell products to customers inside and outside the city, accounts may be opened in a ward or district state bank.

Opening an account is based only the needs of the producer and businessman. Government thrift bonds, credit cooperatives and banks will only demand the procedures necessary for ensuring the safety of the account holder's assets.

2. Those opening accounts and depositing money in government thrift bonds, credit cooperatives or banks may receive cash like the state-operated units to

purchase production raw materials, pay worker salaries, shop and spend on family activities.

Account holders are authorized to make withdrawals without a budget plan, with no questions about the withdrawal objective, and for unlimited times within the scope of the current account balance. Depending on the level of credit with the customer and the bank, account holders may use one or many forms of settlement like collective or state-operated economic units.

3. Concerning the savings and loan interest system, while awaiting guidance from the higher echelon state bank, the Hanoi State Bank temporarily stipulates:

--Ordinary producers and businessmen having no relations with the state, including the opening of accounts anywhere (government thrift bond, credit cooperative or bank) will be eligible for savings and loan interest systems in accordance with current government thrift bond regulations.

--Those having economic relations with the state (contracted to produce goods for the state) will be eligible for the current savings account and low loan interest system of the State Bank.

4. To create a source of capital and to loan capital when necessary: producers and businessmen are encouraged to mobilize their sources of independently acquired capital to organize production for increasing commodity products for society and increasing their own income. In cases where an individual engaged in production, business or service needs capital and wishes to sell gold, silver or precious stones, the Municipal State Bank (Gold and Silver Business Corporation) is prepared to make cash purchases at a reasonable and fair market price without demanding any papers at all or asking about the source. Jewelry or souvenirs that the owner does not wish to sell outright will be held by the bank for a loan, and later redeemed.

After fully utilizing sources of independently acquired capital, producers and businessmen still short of capital may receive bank loans not just to pay off production expenses but possibly to purchase production tools (including small machinery). During the first 2 years, producers will be eligible for the lowest interest rate in the interest structure stipulated by the Central State Bank (except for the food and beverage sector).

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CSO: 4209/334

## ACHIEVEMENTS IN OPERATION OF HAIPHONG PORT EXAMINED

Hanoi LAO DONG in Vietnamese 16 Jan 87 p 4

[Article by Dinh Nguyen: "Notes from Haiphong Port"]

[Text] I was at the Port of Haiphong on a night in December 1986. It was for me a time to reminisce, and many thoughts came to mind. A few years earlier, the Port of Haiphong, with the very tense pressure associated with it, the sluggish operations, jammed goods, and losses, had produced a long-lasting feeling of uneasiness and frustration. This is to say nothing of the huge fire that destroyed a lot of property there at a time when the country was in dire straits. Even at present, there are not a few complaints and grievances about the cumbersome procedures there and other negative phenomena, such as intimidation and making the consumer's life miserable. There are so many questions unanswered and problems unresolved that for a moment I felt a flicker of frustration and asked myself: "Since then, has there been any noteworthy change in the Port of Haiphong?"

The night was dark. With Do Van Cuong, a representative at the congress and director of Haiphong Port, we toured the wharves. This was a regular inspection that has become a habit at the end of the workday of the port director. This year, Haiphong Port completed its assigned tasks in an outstanding manner. On 11 December it totally completed the state plan, and on 23 December it completed an added plan assigned by the Sea Lines General Department. The year 1986 marked the highest level of goods handled by the port in the past 5 years, exceeding 2.6 million tons.

"In 1986, we made great encouraging progress," Cuong told me with a happy voice. "It is not until that time that the production reorganization, the reassignment of extra labor, and the improvement of production chains paid dividends. Major tasks were completed with excellent results: receiving operations were carried out well regarding goods imported from the Soviet Union, especially fertilizers; the reception of a large volume of goods in support of the National Party Congress was also performed very well; in October, the port reached a daily level of 23,000 tons in its cargo-hauling operations of exported goods--a record. What else? It is not worth mentioning another great achievement: under the hands-on leadership of the Sea Lines Department, in just 3 months Haiphong Port released 381,000 tons of



bottlenecked goods, reaching a daily average of 4,187 tons. And all this concerned only major occurrences...."

Director Cuong went on:

"I would like to tell you of another small detail. In 1980, Haiphong Port was fined 2.4 million dong in foreign currency for delays in releasing cargo ships, resulting in a total loss of 38 million dong. It was not until 1984-1985 that we were able to balance rewards and fines. In 1986, there was a big step forward: we received rewards totalling over 100,000 dong in foreign currency and made a profit of over 40 million dong. Those figures are quite significant for the port's production and business activities.

"To attain these results, in the past 5 years all the cadres and workers of Haiphong Port steadfastly and patiently endeavored to gradually overcome their weaknesses and to reorganize production. Many concrete measures were taken: setting up specialized groups to rationalize the hauling chains, reviewing standards and unit prices, and enhancing the work quality of the party organization and of the union, etc."

"What was your most gratifying achievement among those very busy tasks?", I asked.

"If he were sharing a confidence with me, the director of Haiphong Port replied: "Still vivid in my mind is my meeting with the chairman of the Council of Ministers, Pham Van Dong. After I had accepted the new job, the chairman summoned me to his office and asked me if I needed anything or wanted to make any recommendation. I told him there were quite a lot of things to do in my plan to improve the port's operations, and many had to be patiently carried out over a long period. But in the immediate future, I requested that the four-shift day be reinstated. Chairman Pham Van Dong approved my request.

"What prompted me to make the recommendation was my concern about the health of the Vietnamese cargo worker. Cargo hauling is strenuous work. Our workers usually cannot stand 8 consecutive hours of work that demands real physical strength in the ships' stuffy cargo areas. Therefore, returning to a 6-hour shift was a rational suggestion, and as you know, it was approved. But later, when I had time to ponder the matter more carefully, I realized that the most important thing to accomplish was the improvement of the quality of the workers. I had to gradually cleanse the ranks of workers, and that was the basic task in strengthening and reorganizing production. I carried out this policy through labor classification, and implementation of the entire plan started in March 1982."

"At the same time," I said, "other organizations, such as the mines and light industry enterprises carried out the same labor classification. What did Haiphong Port do that was different?"

Director Cuong replied:

"We classified the workers according to categories A, B, and C, the latter having four subcategories. That was nothing new. But the main difference was how the classification process was conducted. At the port of Haiphong, it

was performed publicly in the presence of all workers, from the production team up. If a worker steals some goods and then sees a security guard approaching, all he has to do is to throw the goods into the sea and the evidence is gone. But it would be very hard for the same worker to deny his wrongdoing before his coworkers in the cell. Therefore, after internal discussion, the workers have a legitimate basis to classify themselves in a positive and efficient manner. This is very important. Another aspect of the classification process that we bear in mind is to look at the human factor dynamic ally, and not with cliches and prejudices. A worker who makes a mistake but later redeems himself can be promoted to team or group leader. Many such promotions have taken place and been cheered by workers as morally sound. Therefore, classification has to be reviewed every 3 or 6 months, allowing a timely update of new occurrences. Finally, the outcome of a classification process must be linked to economic benefit. Category C workers cannot have a pay raise, are ineligible for periodic bonuses or for year-end profit sharing, and they cannot send their children to the port's technical school. What are the implementations of this classification? In 1981, of 8,040 classified workers, there were up to 1,300 category C workers, and the ratio of category A workers was 52 percent. The latest classification shows a very encouraging result: of 7,000 workers, there are only 560 category C workers, or 8 percent, while the category A workers account for 61 percent. Therefore, in 4 years, Haiphong Port has eliminated from its ranks nearly 500 workers of poor quality, and raised 410 workers from category C to category B. Those figures pertain to the human factor and are the basis for others reflecting the work accomplished, which is illustrated by the average labor productivity index. In 1981, the average per capita cargo hauling at Haiphong Port was 288 tons; in 1986, the figure went up to 470 tons. Gradually and steadfastly improving its ranks, the port of Haiphong has laid the foundation for further progress.

In addition to the outstanding completion of the state plan, perhaps this was the most gratifying achievement obtained by Haiphong Port in that most promising spring of 1986."

9458/9312

CSO: 4209/297

## TUY HA OIL REFINERY CONSTRUCTION BEGINS

Hanoi NHAN DAN in Vietnamese 12 Mar 87 p 1

[Unattributed article: "Building Tuy Ha Oil Refinery Auxiliary Area"]

[Text] After a period of surveying and formulating economic and technical dialectics, several auxiliary projects are being built at the oil refinery industrial area construction site, consisting of a housing area, a concrete production station, a concrete mortar station, a machine repair shop to support construction machinery, a warehouse area, roads, etc.

The Tuy Ha Oil Refinery, located in Long Thanh District of Dong Nai Province, is being constructed in a region of high hills. The refinery construction area covers 3,500 hectares. The location is favorable for water, level ground, and water and land transportation routes, and is near the crude oil source of supply and distribution centers. According to design estimates, the refinery will have an annual capacity of 6 million tons with construction divided into two phases; phase one for building an oil refinery with an annual capacity of 3 million tons.

The oil refinery construction project is one of the major key projects being conducted with the Soviet Union assisting in construction and providing all the equipment. Participating in construction of the oil processing combine area are many units from construction, communications and transportation, water conservancy, energy and natural gas sectors, and local forces from Dong Nai Province and Ho Chi Minh City. The processing area project management section has completed all preparations and is beginning work in Long Thanh.

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CSO: 4209/384

## ACTION TAKEN AGAINST CONTRACT VIOLATIONS IN RUBBER INDUSTRY

Hanoi LAO DONG in Vietnamese 11-18 Dec 86 pp 7, 10

[Article by Tran Thua Tu and Nguyen Lac, state economic arbitrators: "From the Views of Economic Arbitrators"]

[Text] Each year, in accordance with the goal set in the state plan and assigned to the Rubber General Department, the Materials and Equipment Corporation (subordinate to the Rubber General Department) has the duty to supply various sectors and localities with rubber raw materials (dried rubber). Among them the rubber-producing units of the Chemicals General Department receive nearly 50 percent of the total quantities of rubber raw materials supplied by the Rubber General Department. In order to fulfill the assigned goal, the Materials and Equipment Corporation has signed contracts with the Rubber Industrial Corporation and Transportation Materials Corporation (now the Materials Import-Export Enterprise) subordinate to the Chemicals General Department for the purchase and supply of rubber raw materials. Nothing would have to be said if the implementation of these contracts reached the same levels as that of similar contracts signed with customers in other sectors and localities (in spite of the fact that the Chemicals General Department units that produce rubber are to receive rubber raw materials on a priority basis). But on the contrary, the levels were lower as the selling side had violated the state regulations about supplying rubber raw materials. When the state economic arbitrators reviewed the 1985 economic contracts and found mistakes and violations, they made criticisms and offered conclusions containing the actual points that should be overcome. Recently the state economic arbitrators reviewed again the implementation of their previous conclusions and found that mistakes and violations had not been overcome and still continued in connection with the signing and implementing of the 1986 contracts. Let us mention some actual figures.

In 1985 contracts were signed and implemented with the following quantities:

| Type of rubber  | Goal set in state plan | Contract signed | Contract implemented | Percentage |
|-----------------|------------------------|-----------------|----------------------|------------|
| Dried rubber    | 6,143 tons             | 4,114 tons      | 2,117.73 tons        | 51%        |
| Latex           | (only one kind         | 1,204 tons      | 1,748.18 tons        | 145%       |
| Latex with dirt | to be supplied)        | 825 tons        | 1,256 tons           | 156%       |



In 1986 (first 8 months) contracts were signed and implemented with the following quantities:

| Type of rubber  | Goal set in state plan | Contract signed | Contract implemented | Percentage |
|-----------------|------------------------|-----------------|----------------------|------------|
| Dried rubber    | 3,894 tons             | 2,225 tons      | 720.1 tons           | 32.4%      |
| Latex           | (only one kind         | 750 tons        | 817 tons             | 108.9%     |
| Latex with dirt | to be supplied)        | 919 tons        | 530 tons             | 58.6%      |

The above figures show the following:

1. The contract figures were lower than the assigned goals as set in the state plan: The state assigned the goals of so many tons of dried rubber and set the transformation of a ton of latex into 620 kilograms, a ton of latex mixed with dirt into 500 kilograms of dried rubber, but in the contracts the ratio of transformation of latex and latex mixed with dirt into dried rubber was only 1:1. That meant that the contracts were 870 tons (in 1985) and 745 tons (in 1986) lower than the assigned plan goals, and that the units that were to be supplied with rubber raw materials found the same quantities cut off by the selling side. We would like to add that other customers did enjoy the same deliberately-set ratio. The Materials and Equipment Corporation explained that there had been no guidelines from the Rubber General Department about applying the transformation ratio as set by the state, and the Rubber General Department said it had proposed to the state in an official document the use of the old transformation ratio, but it was unable to produce this document in spite of the fact that the state economic arbitrators repeatedly reminded it of showing the document (which actually did not exist at all).

2. Implementation of contracts: In 1985, the implementation of contracts was 62.6 percent compared to the assigned goals and 73 percent to the signed contracts. In the first 8 months of 1986, it was 40.7 percent compared to the plan, and 53 percent to the contracts. A noteworthy fact was that dried rubber reached low levels (51 percent in 1985, 32.4 percent in the first 8 months of 1986); the latex figures exceeded the contract figures (145 percent in 1985 and 108.9 percent in the first 8 months of 1986). To process raw latex into dried rubber is simple and requires small quantities of chemicals and can be done by any rubber corporation, but to process it into latex is more complicated, requires more chemicals, and can be done only by Binh Long (Dong Nai Province) Rubber Corporation, which means that raw latex has to be shipped from the rubber plantations to Binh Long for it to make latex. Then why did the quantities of dried rubber delivered reach only low levels and the quantities of latex exceed the contract figures? What advantage and for whom did that fact bring about? Did it cause any damage and to whom?

For the buying side to receive latex as raw material meant difficult transportation (in the paste form), but because of its need to make some products that would require this kind of raw material, it agreed to buy the quantities set in contracts. The quantities of latex were kept equal to those of dried rubber supplied according to the plan. If the quantities of dried rubber received were small and those of latex were large, they would have to process a certain quantity of latex into dried rubber. That was why in 1985



the two above-mentioned units (of the Chemicals General Department) had to process 1,100 tons of latex into 682 tons of dried rubber and thus irrationally raised the prices of raw materials to 3.7 million dong (new currency); in the first 8 months of 1986, 500 tons into 310 tons of dried rubber and 4.4 million dong.

The unit that processes latex is the Binh Long Rubber Corporation (subordinate to the Rubber General Department). It was the same corporation that processed on contract latex into dried rubber. The rubber sector thus processed raw latex into latex, sold it to customers, fulfilled the plan goal with dried rubber, and then accepted orders to process latex into dried rubber and to get paid for it (it did not pay into the state fund), while all rubber corporations were capable of processing raw latex into dried rubber as we mentioned earlier. Why did this irrational situation exist? Was it because of the organization and management of production, or because of business objectives? The chemicals used to process latex had to be paid in foreign currencies; the portion of raw materials prices that had been irrationally raised was to be deducted from the state fund in favor of the production units. Finally it was the state that would bear the burden.

The Chemicals General Department's installations making rubber goods are equipped with modern machinery and have skilled workers, but because of shortages of raw materials their machines have been used only up to about 50 percent of their capacity. Then why did the Rubber General Department establish the Rubber Industrial Corporation to make various lines of products as the Chemicals General Department did while it was still waiting for permission from the Council of Ministers? Was it because of the existence of another corporation, the Rubber Industrial Corporation (subordinate to the Rubber General Department), that the quantities of dried rubber delivered to the Chemicals General Department installations were small? Instead they had the "priority" to get nearly 80 percent of the latex produced by the Rubber General Department, which they had to reprocess into dried rubber.

3. The buying side accepted by written documents the need for getting latex, signed contracts to process latex into dried rubber, and did not complain with the law enforcement organ although it had known the violations. This inaction was not lawful, but there were good reasons: They were afraid of difficulties in connection with the supply of rubber raw materials (including latex) that would lead to their workers having no job to do, their installations failing to fulfill production plans, and the income and life of their workers and civil servants being adversely affected. The public opinion had been referring to that fact, which could be true if the responsible organs did not do anything about the above-mentioned mistakes and violations.

Implementing Directive No 133-CT, dated 23 June 1986, of the chairman of the Council of Ministers, the state economic arbitrators prosecuted, brought this case of violating economic contracts to trial, and made the following decision:

- To force the Materials and Equipment Corporation (of the Rubber General Department) to pay into the state budget 4.4 million dong because of

irrational increases of raw materials costs in connection with the 1986 contracts.

- To impose on the Materials and Equipment Corporation (of the Rubber General Department) for violating the economic contracts a fine of 2 percent of the value of the portion of contracts that was violated (the fine to be paid being 68,400 dong).
- To ask all sides to continue seriously implementing the contracts they have signed, to overcome mistakes and violations, and not to commit them any more.
- To give warnings to the Rubber Industrial Corporation and Transportation Materials Corporation (now the Materials Import-Export Enterprise) subordinate to the Chemicals General Department for failing to take action after their contracts had been violated.

However, there are other matters that need consideration and resolution by the organs concerned as follows:

- While we still do not have enough rubber raw materials, do we let two rubber industrial corporations, one subordinate to the Chemicals General Department and the other to the Rubber General Department (the latter without a permission from the Council of Ministers), coexist?
- By checking what has actually happened in the last 2 years, let us see whether there was in the processing of dried rubber actual circumvention as we described above. Or did it exist only in contracts and books?
- Did the prices of latex and dried rubber truly reflect the value of these raw materials? Was it because of prices that the production units concerned had been attracted to processing latex?
- To process various kinds of rubber must be based on actual needs and rely on contracts to maintain balance and to avoid handling the excess parts, which leads to excessive waste. On the other hand, when we sign and implement economic contracts, strike a balance in connection with our plans, and review the results of fulfilling such plans, we must seriously observe the transformation ratio that the state has set.

5598

CSO: 4209/322

**HANOI ELECTRONIC CORPORATION OPERATIONAL FOR 2 YEARS**

Hanoi NHAN DAN in Vietnamese 19 Jan 87 p 1

[Article: "Hanoi Electronic Corporation Emphasizes Product Quality, Use of Technical Advances"]

[Text] Founded only 2 years ago, the Hanoi Electronic Corporation has the primary task of producing electronic consumer and specialized-use goods, researching the use of electronically advanced techniques in industrial production sectors of Hanoi, and providing repair services for electronic equipment and consumer goods. From the beginning after it was founded, the corporation focused on establishing scientific working methods, striving to realize business results based on using advanced techniques, and ensuring product quality in order to foster lasting trust among domestic and foreign customers.

In direction of development, the corporation put foremost emphasis on electronic consumer goods. Last year, the corporation assembled many types of television sets, radio receivers, and cassette radios from components imported from many different sources. All products manufactured by the corporation are guaranteed for 6 months. The rate of product return for repair is very low (from 0.5 to 3 percent, depending on the type of television set). Two-thirds of all television sets assembled by the corporation are exported immediately and are liked by customers.

The corporation also coordinates with a number of industrial enterprises in Hanoi to research restoration and use of electronically advanced techniques in production with the aim of raising production efficiency or product quality and at the same time improve working conditions for workers. Along with the Sao Vang Rubber Factory, the corporation conducted research on changing the process of vulcanizing bicycle tires, designed and assembled thermostats, and automated temperature regulation in the tire vulcanization process based on the use of electric energy (in place of steam heat). This technique will also be used in the Thong Nhat Rubber Enterprise.

With a methodology that is active and shows a quick return on capital, the corporation created more sources of ready capital (including foreign currency) in order to continue to expand production.

In addition to seeing to the training and development of cadres and skilled workers, the corporation adequately prepared equipment for integrated assembly into a technological production line ensuring the use of advanced techniques in the assembly of black-and-white television sets, colored television sets, cassette radios, and pocket calculators from separate components (not assembled from whole, ready-made components as before). The Hanoi Electronic Corporation still has great capability for assembling electronic consumer goods. If it is supplied sufficient components, the corporation can greatly expand production with many goods in response to needs for consumer goods and exports.

9830

CSO: 4209/295

## EDITORIAL CALLS FOR REDUCTION IN CIRCULATION EXPENSES

Hanoi NHAN DAN in Vietnamese 12 Mar 87 pp 1, 4

[Editorial: "Ensuring Delivery of Material to Production Units at Most Rapid Rate with Least Expense"]

[Text] In product costs, materials usually account for up to 70 percent, in some goods nearly 90 percent. Along with norm achievement and material conservation, a reduction in material circulation expenses contributes directly toward a reduction in product costs.

The material sector issued norms to supply units for efforts to reduce circulation expenses by 5 percent. The primary methods for reducing circulation expenses recently have been simply to expand the contract system; to implement prompt reward and punishment in accordance with a supply norm per ton of goods; to achieve a straight transfer of material from the ship, port, etc. to the production unit; to improve the delivery and receipt step at transportation junctions; to eliminate unnecessary intermediate steps; and to reorganize rational labor; and more than 2,000 cadres and personnel have been transferred who have long been engaged in indirect jobs and drawing wages from supply and business sources to direct labor and service activity to earn their salary from the results of their own labor in producing products for society. From these methods during the past year, the entire sector reduced circulation expenses by 6 percent, exceeding the planned level by 1 percent and equivalent to 70 million dong in production costs. This reality shows that we still have many capabilities for reducing material circulation expenses, a constant demand of economic management.

According to the results of investigations in many supply units, of the total material circulation expenses, the transportation and freight handling portion accounts for up to 60 percent, and the management and administrative portion accounts for 15 percent, too high and with many inconsistencies. Some production and business units receive material late and the circulation expenses are equal to or half again and double the price of the material received.

The primary reason for the situation above (not counting the negative factors) is that the transportation route of materials from their sources to the production units must pass through many intermediate segments and steps with unnecessary meandering. Compared to the period 5 years ago, the present volume of materials for production and construction has not significantly



risen but the material supply organization system has excessively expanded, by four times, from 240 to more than a thousand material corporations in all sectors and echelons from the central to the provincial, district and ward level. The expenses incurred in nurturing this swollen management apparatus come from the supply business. Each ton of material reaching a production unit must undergo many additional "rake-offs."

The handling, delivery, receipt and transportation of materials at warehouses, yards and ports and on the road also have many troublesome procedures that jam up transportation means; those arriving to pick up and transport goods must freeload while waiting. Many economic and financial norms are backward, unrealistic, and lack a scientific basis, causing the basic unit confusion in formulating circulation expense plans, and forcing estimations and forecasts. The consequences are that every unreasonable expense is poured into the cost of the product.

Timely material supply, reduced agitation and lowered expenses will assist in supporting production development and increasing the business effectiveness of material supply.

Prompt reorganization and rearrangement of the material supply unit system in all echelons and sectors from the central to the provincial, district and ward level, strengthening of management, application of advanced technology, and resolute elimination of unnecessary intermediate steps to truly ensure that material reaches the basic production unit via the shortest route, in the most rapid manner, and with the least expense, is an urgent task.

The establishment of many positive economic and financial norms with scientific and firm calculation and closely connected with reality and the characteristics of each goods sector and unit is an important base for reducing circulation expenses. Norms must be complete for all steps of delivery, receipt, transportation, warehouse and yard use, means and equipment repair, capital utilization, goods depletion, administrative expenses, etc. On the basis of norms, expand achievement of the contract system, implement prompt reward and punishment, and strive to stimulate units and individuals to work effectively. Recalculate every expenditure item in circulation, halt every occurrence of bribery, and make no more expenditures on jobs of a formal and pretentious nature that produce additional intermediate rungs and steps. Practice true conservation precisely in accordance with the spirit of the Resolution of the Sixth Party Congress.

Motivate cadres, workers and civil servants in material supply units to develop a concept of collective ownership, to participate in economic management, to establish specific and symmetrical circulation expense norms, and to resolutely struggle against and halt negative occurrences in the handling, transportation, delivery, receipt, etc. steps, avoiding excessive material depletion, speeding up transportation, reducing circulation expenses, and assisting in achieving economic plans, first of all the three major economic programs.

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CSO: 4209/384

## RAILROAD CHIEF SOUNDS ALARM, ASKS FOR IN-DEPTH INVESTMENT

Hanoi LAO DONG in Vietnamese 11-18 Dec 86 p 3

[Article by Nguyen Van Tu, chief, Railroad General Department: "About In-Depth Investment in Railroad Sector"]

[Text] Never before in the communications and transportation sector in general, and in the railroad sector in particular, has in-depth investment been recognized carefully, seriously, and importantly as it is now.

The organization of our railroad sector has lately been changed many times. And now the general department assumes direct leadership over stations and enterprises. The intermediary levels have decreased, and there remains only a union of enterprises in the South. We have tried very hard to increase the transportation of goods and passengers. But realities indicate that our railroad sector is still unable to satisfy society's needs. There are many reasons behind this. Some reasons are subjective ones having to do with the sense of responsibility of our leading cadres, workers, and civil servants, which we are trying to overcome. But we must also understand that state investment in the railroad sector has not been uniform. We can further clarify here that all of the investment from the state budget has been insufficient even for just repairs and maintenance of about 300 kilometers of railroad lines, and yet we must do many other things.

The question we raise here is how we can solve our problems with little capital investment. Should we build more facilities while the ones we are using are becoming downgraded and we lack the conditions for normal operations. Let us take an example about a situation that currently causes concerns: Some 400,000 old crossties have already become rotten and every year get more rotten. Parts, locomotives, cars, stations, and yards also are in alarmingly serious conditions. This situation has been existing for years.

On the basis of awareness and realities, we in the railroad sector have decided that in the time to come our objective is to build the material base, with in-depth investment being our main interest. Our priorities actually are given to building repair installations (with capacity to build new and small things) in order to restore and to build anew locomotives and cars; expanding stations and loading-unloading facilities; and upgrading bridges, roads, communications, signals, and so on.

We must add that the fact that the state every year has to pay for losses in such an economic sector as the railroad sector is unacceptable. But in

reality, with the current freight charges, the more we transport, the more losses we will have, for our costs are always higher than what we charge, and at the present rate by the end of 1987 our losses will have been 197 million dong. That is a figure that causes concerns. Naturally, to simplify the machinery, to fight negative losses, and to apply scientific and technical advances to transporting, loading-unloading, and so on, in order to lower costs are also the things we are raising with urgency.

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CSO: 4209/322

## CONFERENCE HELD ON COMPUTER SCIENCE, GENERAL EDUCATION

Hanoi NHAN DAN in Vietnamese 17 Jan 87 p 1

[Text] The Education Science Institute has just held a conference on computer science and general education.

Conference participants announced results of research conducted by the Education Science Institute in 1986 and predicted research for 1987 in the field of computer science and general education. The conference summarized a draft program for basic computer science courses for students of vocational and regular middle schools and an orientation program for introducing computer science thinking into the curriculum of basic-level general schools. It discussed general problems of computer science education, such as the socioeconomic and educational urgency for introducing computer science into our country's general education; the problem of training teachers in computer science, providing more texts and reading materials for students, and equipping general schools with computers; and the problem of what steps should be taken in computer science education in our country's general schools.

Computer science, along with technical equipment (modern electronic computers capable of executing a million instructions per second), is a sharp tool for man not only to understand but also to improve the world in an effective way. Teaching computer science to general school students is teaching them how to join and improve the new world more effectively and equipping them with faster methods of thinking. Introducing computer science to the general teaching curriculum is not merely introducing another subject, but is a true improvement in goals, contents, and methods of educating the person.

In reference to contents, the most important thing is to equip the student with a knowledge of algorithms and an ability to write programs and operate a computer to accomplish his tasks. The immediate task is to formulate a program of instruction for computer science, and we must simultaneously promote improvements in the direction of computerizing the curricula of general courses, beginning with courses in mathematics. Urgent arrangements are needed for teacher training and retraining along the lines of computerizing the goals, contents, and methods of general education.

The introduction of computer science into education in our country is a new task. Priority must be given to introducing computer science into the curriculum of general education, with primary emphasis on providing general computer science instruction to students in every part of the country, and especially on making good arrangements for teaching computer science to students in vocational middle schools.

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